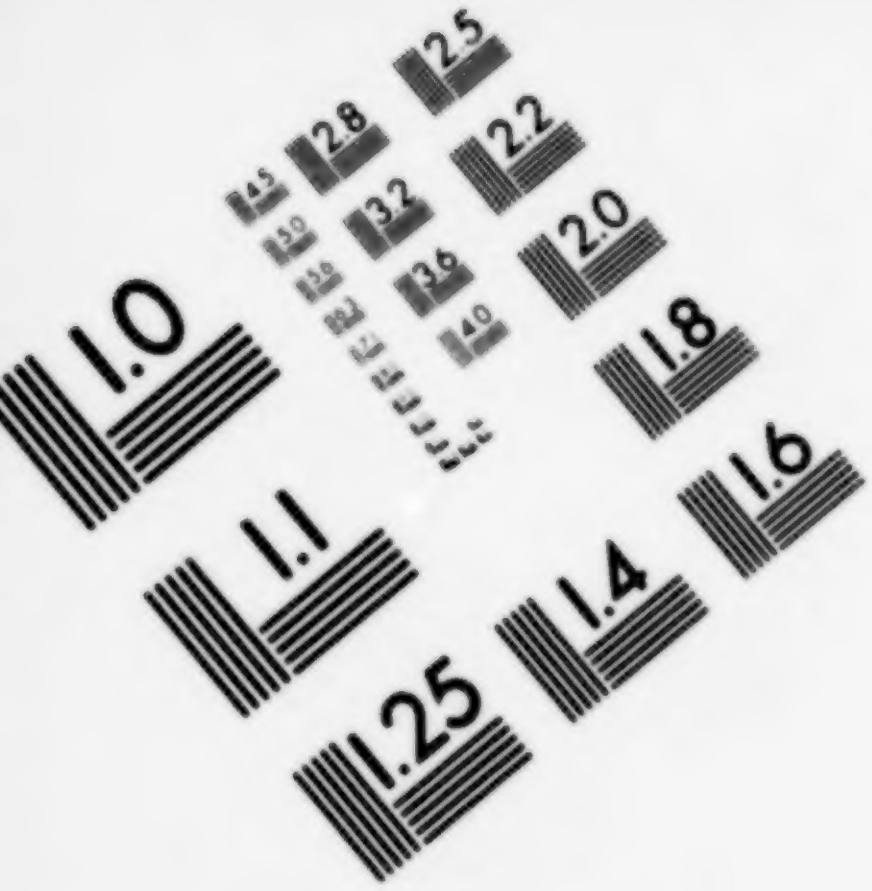
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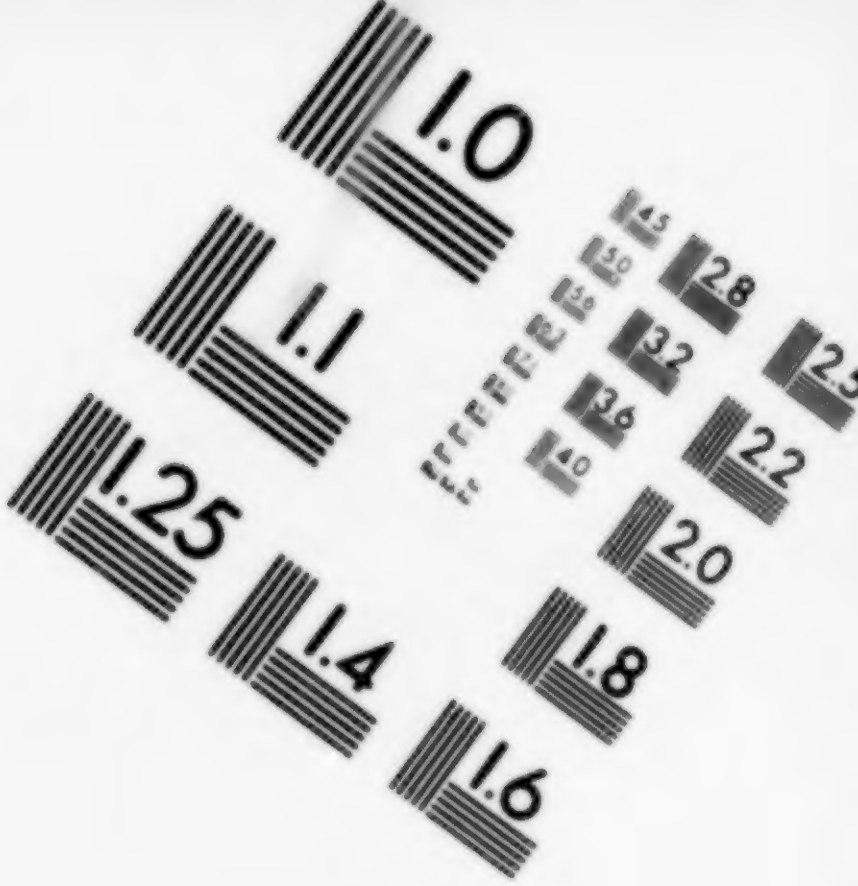
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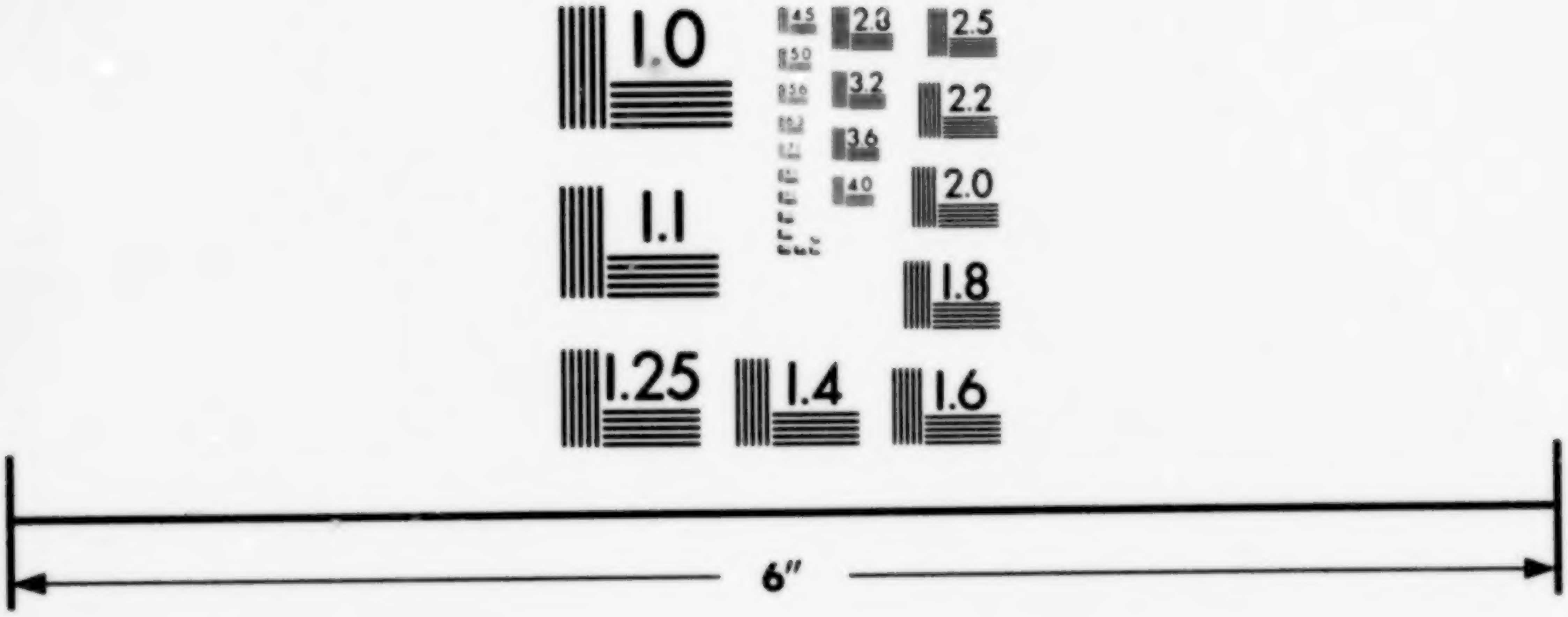
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East Asia

FBIS-EAS-94-152
Monday
8 August 1994

Daily Report

East Asia

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Japan

Opposition Forces To Form Consultative Body

OW0808151894 Tokyo KYODO in English 1501 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—Nine opposition forces agreed Monday to form a consultative council in early September to make preparations for a single grand alliance that can wrest back power from the current coalition government, officials of the parties said.

The agreement was struck at a Tokyo hotel among five political leaders who represent the nine noncommunist political parties and parliamentary groups, the officials said.

As a prestage to launching the consultative body, the nine also agreed to form a project team in mid-August to draw up a policy platform to present to voters, they said.

The nine include Shinseito [Japan Renewal Party], Komeito [Clean Government Party], the Democratic Socialist Party (DSP), Japan New Party (JNP), new party Mirai, the ex-Kaikaku No Kai, the Liberal Party and Koshi Kai.

The five leaders are three former prime ministers—Tsutomu Hata, Morihiro Hosokawa and Toshiki Kaifu—as well as Komeito Chairman Koshiro ishida and DSP Chairman Takashi Yonezawa.

Kaifu represents five former breakaway groups of the Liberal Democratic Party (LDP), which now forms a ruling alliance with new party Sakigake [Harbinger] and the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] under the leadership of Prime Minister Tomiichi Murayama.

Meanwhile, Kaifu predicted the coalition of the LDP and the SDP will break due to large differences in their long-held ideologies and policy tenets.

The coalition "will not hold unless either the LDP or the SDP offer large concessions to the other side in its ideals," Kaifu told the Japan National Press Club.

The former premier conceded, however, that he himself may have some difficulty getting along with Shinseito leader Ichiro Ozawa, who was the chief strategist of the preceding coalition government that was toppled by the Murayama administration.

"Although I may develop a tense relationship with him, we can find a solution if we talk with each other sufficiently," he said.

"If we cannot reconcile our differences in (political) thoughts by any means, we will have to concede our differences to the public and our colleagues (of the upcoming grand alliance party)," he said.

In late June, Kaifu, who was premier between 1989 and 1991, quit the LDP to run for the premiership. He lost to Murayama, chairman of the SDP, in a dramatic Diet session which saw the election of Japan's first socialist premier in 47 years.

Kaifu became an independent and then formed Koshi Kai, a parliamentary group in the House of Representatives.

Difficulties in Forming New Party Viewed

Hosokawa Comments

OW0608150094 Tokyo KYODO in English 1448 GMT 6 Aug 94

[Text] Kumamoto, Japan, Aug 6 KYODO—Former Prime Minister Morihiro Hosokawa said Saturday [6 August] that it will be difficult to form a new opposition party in September, thus turning his back on chief opposition strategist Ichiro Ozawa's attempt to do so.

Hosokawa, head of the Japan New Party (JNP), told reporters in his home base in southwestern Japan that it will be difficult to merge nine noncommunist opposition groups simultaneously by a certain time as sought by Ozawa, secretary general of Shinseito.

He also said it would be better for the parties to join the grand opposition party after completing their own preparations.

Ozawa said in the United States late last month that he aims to consolidate the nine opposition forces to establish a new party in September to rival the current ruling coalition of the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake (Harbinger).

Ozawa is co-founder of Shinseito (Japan Renewal Party), an LDP splinter party.

The heads of five opposition groups reached an accord Friday on seeking to merge their forces and take over power from the coalition government headed by Prime Minister Tomiichi Murayama who is the SDP chairman.

The agreement was reached at a meeting of three former prime ministers—Toshiki Kaifu, Tsutomu Hata and Hosokawa—plus Koshiro Ishida, chairman of Komeito, and Takashi Yonezawa, chairman of the Democratic Socialist Party (DSP). They will meet again Monday to discuss details, opposition sources said.

The five hope to iron out a platform for the new party by the time an extraordinary Diet session is convened next month, they said.

Hata, who served as prime minister between April and June this year, is head of Shinseito, and Kaifu, who was an LDP premier from 1989 to 1991, quit the party in late June to run in the prime ministerial election in the Diet. He was defeated by Murayama.

Hosokawa served as premier between August 1993 and April this year, heading a coalition by Shinseito, the

SDP, Komeito, the JNP, the DSP, Sakigake and the now-defunct United Social Democratic Party (USDP).

The SDP and Sakigake left the coalition as Hata formed a second coalition in April. Hata resigned in June, facing an impending no-confidence motion.

Article Views 'New-New' Party

OW0708232194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Aug 94 Morning Edition p 2

[Text] Although heads of five opposition parties agreed at their 5 August meeting that nine opposition parties and parliamentary groups, with the exception of the Japan Communist Party, would unite themselves to form a new-new party, each head put forth different ways to form the new-new party, explaining the situation facing his party. As a result, the meeting only revealed their differences over forming the new-new party. The five opposition heads were scheduled to meet again on 8 August to draft a document on a basic platform for the new-new party and to discuss concrete ways to form the new party, but their ambitions to seize the party leadership further widened their differences over when to form the new-new party. Under this situation, the future formation of the new-new party does not appear smooth.

At the 5 August meeting, while Tsutomu Hata, chairman of Shinseito [Japan Renewal Party], and Morihiro Hosokawa, representative of the Japan New Party, repeatedly insisted that the new-new party be created in September, Takashi Yonezawa, chairman of the Democratic Socialist Party [DSP], expressed his disapproval of setting up a preparatory council in August for forming the new-new party, citing deep-rooted cautiousness within his party about forming such a new party. In response, Hosokawa asserted the need to form the new-new party, leaving a reluctant DSP behind, saying: "We will form the new-new party on our own. It would be good if the DSP joined the new-new party later." Retorting Hosokawa's assertion, Yonezawa said: "It is important to rally powerful politicians to form a powerful new party. It is better not to be overly hasty in forming the new-new party."

The prevailing mood in the DSP is that 1) the Rengo [the Japanese Trade Union Confederation], which supports neither ruling parties nor opposition parties, does not want to see the Social Democratic Party of Japan [SDPJ] and the DSP confronting each other, and 2) if the formation of the new-new party is hastened, this would create a situation wherein some SDPJ members who voted for former Prime Minister Kaifu in the recent prime ministerial election will face difficulty joining the new-new party. The DSP intends to deal with the issue of forming the new-new party after seeing how the SDPJ's party convention scheduled for 3 September goes.

Ichiro Ozawa, secretary general of Shinseito, has strongly advocated forming the new-new party in September. Reacting against Ozawa's push for the new-new party, some opposition parties are claiming that if we ride on the wave of his schedule, "it would give an impression that the new-new party will be under Ozawa's thumb." At the 5 August meeting, the five opposition heads appeared to have discussed a compromise plan that "they meet again on 8 August to agree on establishing the preparatory council in August."

The secretaries general of the opposition parties also held a meeting in parallel with the meeting of the five opposition heads. During the meeting, Yuichi Ichikawa, secretary general of the Komeito, explained: "No candidates fielded by the Komeito will be able to contest unified local elections next spring without the party backing of Komeito." He also stressed that even if the ..ew-new party is formed, Komeito will join it only at the central level. Given the situation facing each opposition party, it will not be easy to unite all organizations of the opposition parties at both the central and local levels for creation of the new-new party.

At the outset of the 5 August meeting, Hata stated, "The formation of the new-new party is not a simple matter on which eight or nine persons can agree at the end of their discussions." However, at the meeting, a representative of the Liberal Party bitterly complained, "Mr. Kaifu is representative of the Free Reform Confederation [jiyu-gaikakurengo], but attendees at this meeting only mentioned the Koshikai (a parliamentary group)." Hence, the nine opposition parties and parliamentary groups are likely to run into turns and twists before the new-new party is formally inaugurated.

Poll: 40 Percent Support Murayama Administration

OW0508130994 Tokyo MAINICHI SHIMBUN in Japanese 2 Aug 94 Morning Edition p 1

[Text] Prime Minister Tomiichi Murayama has clarified his stance in recent policy speeches and Diet interpellations. Following this, MAINICHI SHIMBUN conducted a nationwide telephone poll on 31 July. The approval rate for the Murayama administration was at 40 percent, exceeding the disapproval rate by 9 percent. Among those who supported Murayama, the largest group said they favor Murayama's "personality." On the other hand, over 50 percent of the respondents expressed displeasure with the coalition between the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ]. Regarding Murayama's decision to convert the SDPJ's policies in such fields as the constitutionality of the Self-Defense Forces [SDF], a larger number of the respondents approved the Murayama decision.

Compared with previous administrations, the 40-percent support for the Murayama administration is about the same as those for the Ikeda (40 percent) and Nakasone administrations (39 percent). While this is much lower than the approval rate for the Hosokawa administration (75 percent), it is still about 10-percent higher than those for the Takeshita, Kaifu, and Miyazawa administrations.

The Murayama administration was supported by 81 percent of SDPJ supporters and 58 percent of LDP supporters. Among those who have no political parties to support, 31 percent were for and 32 percent against Murayama, while 35 percent said they are not interested in the administration.

The top three reasons of supporting Murayama were: 1) The prime minister has a favorable personality; 2) the administration seems to have potential to carry out new policies; and 3) it is an administration of the LDP, SDPJ, and the Sakigake [Harbinger]. It appears the public has a favorable image of Murayama's mild characteristics. On the other hand, those who do not support Murayama questioned his "leadership" and "capability to promote new policies."

When asked "how long the Murayama administration can remain in power," the largest group (40 percent) said it would last only "six to 12 months."

In response to the new coalition government of the LDP and the SDPJ, 53 percent showed a negative attitude toward the coalition, which had lead the political regime since 1955. Those who accepted the LDP-SDPJ coalition were at 44 percent.

In Diet interpellations, Prime Minister Murayama converted the SDPJ's long-standing policies for such issues as the SDF's constitutionality and the Japan-U.S. Security Treaty. Commenting on Murayama's policy conversions, 41 percent said it was "favorable," and 33 percent said "unfavorable."

The approval rate for each policy conversion is as follows: The SDF is constitutional (36 percent); the Japan-U.S. Security Treaty will be firmly maintained (44 percent); the SDPJ's neutral and nonalignment policies have already completed their historical roles (27 percent); the rising sun flag is the national flag, and Kimigayo is the national anthem (64 percent); and nuclear power generation is acceptable as an energy resource (42 percent). Those approval rates were all higher than the disapproval rates. Compared with the total number of respondents, the pro-SDPJ group showed stronger support for Murayama's policy conversions. It appeared the SDPJ supporters are beginning to take realistic stances.

Asked what is the Murayama administration's top priority task, the largest group (36 percent) said that it is pump-priming measures. This was followed by such answers as "political reform," "welfare policies," and "anti-inflation measures."

Tokyo Chamber Executives on Murayama's Performance

OW0508132394 Tokyo KYODO in English 1300 GMT 5 Aug 94

[Text] Nagano, Japan, Aug. 5 KYODO—Most executives of the Tokyo Chamber of Commerce and Industry offered favorable comments Friday on Prime Minister Tomiichi Murayama, who attended a special summer meeting of the chamber in Nagano Prefecture, central Japan.

Murayama, who is also chairman of the Social Democratic Party of Japan (SDP) [SDPJ], gave a speech and attended a luncheon at the meeting held in the city of Chino. It was the first appearance by Murayama at a meeting of a major Japanese business group.

Chamber Chairman Kosaku Inaba said Murayama is fully aware of the problems Japan faces.

Norio Ohga, president of Sony Corp., said Murayama's political acumen hardly fits his image as a former leader of the SDPJ's left wing.

Atsushi Kobayashi, chairman of Lion Corp., said Murayama's pledge to maintain continuity in Japan's diplomacy was "reassuring."

Murayama 'Implicitly Criticized' Ozawa

OW0708132394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Aug 94 Morning Edition p 2

[Text] On 5 August, Prime Minister Tomiichi Murayama implicitly criticized how Shinseito Secretary General Ichiro Ozawa and his group managed government affairs during the time the former coalition parties were in rule. In a lecture at an informal summer meeting of senior officials of the Tokyo Chamber of Commerce and Industry held the same day, Murayama said: "A coalition government must not manage its affairs under the control of a handful of those with power." Murayama apparently made his comments in strong reaction to remarks made by Ozawa during the latter's recent visit to the United States that "the Murayama administration will be short-lived."

The prime minister also touched on the political situation around the time of the formation of his administration and explained the circumstances, saying: "Until around 1430 hours on 29 June (the day of the prime ministerial election), I believed that matters would be settled on the formation of a non-Liberal Democratic Party [LDP] coalition government. I thought that Mr. Tsutomu Hata (former prime minister) would be reelected." He then said: "At subsequent policy consultations, new matters that were completely different from what had been previously discussed were brought out (by Ozawa and the others). At that point, I felt they intended to cut off the Social Democratic Party of Japan [SDPJ] and that they had managed to muster a majority without us. Being treated in such a way, I decided once and for all that we could no longer go along with them." He thus indicated he believes that Ozawa and his group's scheme to cut off the SDPJ led to the formation of the LDP-SDPJ coalition.

Murayama on Redistricting Bill, Other Issues

OW0608033094 Tokyo KYODO in English 0255 GMT 6 Aug 94

[Text] Hiroshima, Aug. 6 KYODO—Prime Minister Tomiichi Murayama renewed his hope Saturday [6 August] a bill that redraws the House of Representatives' electoral map will pass into law by the end of this year to cap years of debate on political reform.

"I think it is desirable to settle the matter once and for all within this year," the premier said at a news conference, referring to a redistricting bill expected to be sent to an extraordinary Diet session opening possibly in late September.

Murayama voiced similar hope Friday at a business seminar in Chino, Nagano Prefecture, central Japan.

In January, the Diet legislated a bill to introduce a new electoral system combining single-seat constituencies with proportional representation, replacing the current multiseat constituency system.

For the next general election to be lawfully contested under the new system, however, the enactment of a redrawing bill is required.

Murayama, Japan's first socialist prime minister in 47 years, met the press here after attending a ceremony commemorating the 49th anniversary of the 1945 atomic bombing of this western Japan city.

He will also attend a similar commemorative ceremony in Nagasaki on Tuesday, becoming the first premier to take part in both annual rites in the same year since 1990, when then Prime Minister Toshiki Kaifu visited the two cities for similar events.

Prime ministers to date have usually visited Hiroshima and Nagasaki in alternate years to attend the annual peace ceremonies.

On a chorus of calls for the enactment of a law to provide relief to people suffering from aftereffects of the 1945 atomic bombings, Murayama said his administration will consider the matter separately from other war compensation issues.

"Apart from my request for debate on the question of Japan's war responsibilities, I have asked the ruling parties to weigh the aid law issue thoroughly and seriously," the premier said.

Murayama also said the government will ponder what steps to take after the governing parties reach some conclusion on the issue.

Pointing to the drawbacks of the two existing laws regarding the politically sensitive issue, Murayama's Social Democratic Party (SDP), a partner of the coalition government, has been demanding the enactment of a new relief law.

However, the Liberal Democratic Party, another coalition partner, has taken a cautious stance on the proposal, claiming that the move would have a serious impact on Japan's overall postwar compensation policies.

The premier waffled about the prospects for the concept of Tokyo's responsibilities to compensate war victims to be included in a new relief law, saying only, "that's where things are most difficult."

Murayama, the SDP chairman, voiced confidence that his recent decision to reverse the SDP's long-held policies will win approval at an extraordinary party convention in early September.

In dramatic shifts in SDP stances on major policy issues, the premier made public in July that he regards the Self-Defense Forces as constitutional and pledged to keep security arrangements between Japan and the United States intact.

Murayama: SDP Congress To Acknowledge SDF

OW0808071794 Tokyo KYODO in English 0654 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—Prime Minister Tomiichi Murayama expressed confidence Monday that his Social Democratic Party (SDP) will follow him in accepting the Self-Defense Forces (SDF) as constitutional at an upcoming party congress, officials said.

"I think there will be a dispute, but I believe that I can get their understanding," Murayama was quoted as telling business leaders in a breakfast meeting at a Tokyo hotel. The extraordinary party convention is scheduled for Sept. 3.

In a major reversal of the SDP's traditional defense policy, Murayama declared at the Diet on July 21 that he recognizes the SDF as constitutional. "I recognize that the SDF, with its exclusively defense-oriented policy and minimum defense capacity, is constitutional," Murayama said at that time.

Asked about the reasons for the about-face in SDP policy, Murayama told the business leaders, "the Social Democratic Party had to change in line with the change of opinion of the Japanese people."

The business leaders reportedly urged the premier to take more measures to stem the yen's rise against the dollar.

The business leaders included Katsuhiro Utada, honorary chairman of Ajinomoto Co. and Ichiro Nakamura, former chairman of Dai-Ichi Kangyo Bank.

Murayama, Japan's first socialist premier in 47 years, had his first meeting with representatives from the financial and commercial world on July 29.

He became head of the coalition government in late June grouping his SDP, the Liberal Democratic Party and New Party Sakigake.

SDPJ's Kubo Interviewed on Political Situation

OW0808145194 Tokyo MAINICHI SHIMBUN in Japanese 7 Aug 94 Morning Edition p 2

[Interview with Social Democratic Party of Japan Chairman Wataru Kubo by unidentified MAINICHI SHIMBUN reporter; place and date not given]

[Text] [MAINICHI SHIMBUN] The Social Democratic Party of Japan [SDPJ] has drastically changed its policies. Who will be the new supporters of the party?

[Kubo] We would like salaried workers and consumers to be the major supporters of the party. We have to change the party to one that cares about those who need political aid, such as the aged and the disabled.

[MAINICHI SHIMBUN] There is a criticism against the party that "the policy changes were too abrupt." What do you think of this criticism?

[Kubo] Last year, sharp debates were exchanged over the "1993 Declaration," and the party was about to split. At present, however, from a standpoint of the eternal opposition party, no one wants to debate. For the party, policy changes were inevitable. In fact, the party leadership should have hammered out policy changes when party Chairman Tomiichi Murayama assumed office as the prime minister. But the prime minister referred to the policy changes before the announcement by the party, and it was not a desirable way to announce the party's policy changes before the official announcement.

[MAINICHI SHIMBUN] There is a view that the SDPJ's policy change will promote moves toward making Japan's political circles "conservative-oriented." What is your opinion?

[Kubo] The basic political stands of reformists are securing peace and fairness. These stands have been maintained. What I mean here by securing peace means promoting disarmament. How drastically and quickly the government will promote disarmament depends on what sort of power the SDPJ gains within the ruling parties. Political "fairness" will be tested by the new tax system which is under study. The reason the party still holds the revision and abolition of consumption tax as its major task is that the party considers a consumption tax counter to the principle of securing justice and fairness.

[MAINICHI SHIMBUN] How do you think tax reform should be revised?

[Kubo] It is necessary to swiftly promote administrative reform and rectify the unfair tax system. But if the government finds it necessary to take some measures to deal with the future aging society, it will have to ask for the people's burden. However, a careless rise in consumption tax runs counter to the principle of politics.

[MAINICHI SHIMBUN] What is your view on future political realignment?

[Kubo] Although the former coalition parties want to be a major political force, they are facing difficulties in coming together. First of all, a tripolar structure—composed of the SDPJ and the Japan Democratic Socialist Party [DSP], which will be the liberal force; the Liberal Democratic Party [LDP]; and new conservatives, defectors from the LDP—will be established. After that, the LDP will be absorbed by the new conservatives and the SDPJ-DSP group, and thus political forces will eventually be divided into two. Such a bipolar structure may be formed earlier than expected. The SDPJ and the LDP will eventually be absorbed into new political forces.

[MAINICHI SHIMBUN] What is your view on obtaining permanent membership on the UN Security Council [UNSC]?

[Kubo] If the international community calls for Japan's contribution as a permanent member of the UNSC, the Japanese Government has to accept the call as long as it maintains "United Nations-centered" foreign policy. However, even if the United Nations adopt resolutions, it will be impossible for Japan to accept the resolutions if they run counter to the spirit of the Constitution. If the international community understands such a position and asks for Japan's international role as a permanent member of the UNSC, Japan should not refuse to obtain a permanent seat in the UNSC. What the staff of the Clinton government is saying is that the United Nations should allow Japan to obtain a permanent membership in exchange for its participation in peace actions proposed by UN Secretary General Butrus-Ghali. This is not acceptable.

[MAINICHI SHIMBUN] When do you think the House of Representatives will be dissolved and general elections will be held and how do you plan to cooperate with other parties in contesting elections?

[Kubo] It is not desirable to hold elections just because the electoral system was changed. What the government and the Diet have to carry out is such tasks as restoring the economy and improving relations with foreign nations. In the face of a host of domestic and foreign issues, we should not create a political vacuum by dissolving the Diet. To say the least, the possibility of holding general elections by the end of next year is very small. From a commonsense point of view, I think the elections will be held in the last year of the Murayama Cabinet's term of office.

If the ruling parties come to agree that it is necessary to cooperate with each other in fighting elections while keeping the accord on policies, we will seek electoral collaboration. However, in seeking electoral collaboration with other parties, the SDPJ has three priority conditions: 1) Whether a candidate party is supported by similar organizations as the SDPJ; 2) whether its policies are agreeable; and 3) whether it is a member of the ruling parties. Since the party places emphasis on forming a liberal group with the DSP in promoting political realignment, it needs to make efforts to seek possible electoral collaboration with the DSP and the Democratic Reform Union, a parliamentary group.

[MAINICHI SHIMBUN] You have said that you would "take responsibility" for the party's alliance with the LDP. What does this mean?

[Kubo] When the premiership election at the Diet was held, nearly 30 party members rebelled against the party. I am not saying forming the coalition with the LDP and Sakigake [Harbinger Party] was a completely wrong choice. But the choice was different from what the SDPJ really wanted. The responsibility includes the possible resignation from the current post. But I also have to bring success to the current coalition. This is another task given to me. I have already made up my mind. The SDPJ needs to have new leaders from younger generations.

SDPJ's Kubo Views Election Cooperation

OW0508115294 Tokyo MAINICHI SHIMBUN in Japanese 4 Aug 94 Morning Edition p 2

[Text] Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], held a panel discussion with Kansei Nakano, secretary general of the Democratic Socialist Party [DSP], and Akira Yamagishi, chairman of the Japanese Trade Union Confederation [Rengo], in Tokyo on 3 August. Discussing election cooperation in next year's upper house elections and the next general elections to be held under a new electoral system, Kubo said: "In principle, the SDPJ will cooperate with the DSP and the Democratic Reform Federation, which share the same electoral support base. Rengo's existence is of great significance. The SDPJ will opt for its election cooperation partners in order of policy sharing and government sharing." In this way, Kubo indicated that the SDPJ would choose the DSP and the Democratic Reform Federation as its election cooperation partners over the Liberal Democratic Party [LDP] in anticipation of Rengo's assistance.

Kubo made the statement in an attempt to team up with the DSP after pulling it out of the camp of old ruling coalition parties. Whether or not the LDP and SDPJ can cooperate in the next general elections holds the key to keeping the Murayama government in power. Therefore, Kubo's statement is expected to affect future relations between the LDP and the SDPJ.

Ministry Says Millions Not Paying Pension Dues

OW0708100694 Tokyo KYODO in English 0927 GMT 7 Aug 94

[Text] Tokyo, Aug 7 KYODO—Some 1.93 million citizens are not paying monthly contributions to the government-run national pension system for self-employed businessmen, farmers, fishermen and some other wage earners not on regular company payrolls, the Ministry of Health and Welfare said Sunday [7 August]. The ministry obtained the estimate as a result of interviews in September 1992 with 223,000 people whose ages range from 20 to 59, the ministry said.

The nationwide survey, conducted at 1,800 districts across Japan, was the first of its kind.

On the basis of its findings, the ministry will sketch out measures to "prevent a hollowing-out of various pension schemes managed by the government or quasigovernmental organizations for the common good of Japanese citizens," a ministry official said.

The official was apparently referring to the possibility that the lack of such payments, currently around 10,000 yen a month, might squeeze state revenues needed to continue financing the benefits from the official pension scheme.

At present, some 65.94 million citizens are covered by three types of public pension plans.

The three are the national pension, the employees' pension for corporate employees and the mutual aid pension for civil servants or employees of quasigovernmental organizations, like Nippon Telegraph and Telephone Corp. (NTT) and the privatized Japanese Railways (JR) group of firms.

Of the three pension plans, the national pension covers 17.7 million people, the employees' pension 30.63 million and the mutual aid pension 5.59 million.

Therefore, those who are not paying contributions to the national pension system account for more than 10 percent of the number of those covered by the pension plan, the ministry said.

Unemployed people in their 20s account for 880,000, or half of those who are not paying contributions to the national pension scheme.

Almost 60 percent of these young people live in large cities whose populations exceed 200,000, the ministry said.

The wives of salaried workers in private business corporations are also covered by the employees' pension system. They number 12.02 million.

The investigation also led to the finding that 2.67 million people, including those on welfare, are temporarily exempted from the obligation to pay contributions.

On top of this, some 430,000 of the wives of salaried workers covered by the employees' pension plan have not registered as eligible for the pension, the ministry said.

It is necessary to devise methods to give index numbers to all those eligible for public pensions in order to entice those who are not paying contributions to the national pension system, it added.

Antinuclear Group on Aid for Atom Bomb Victims

OW0708124794 Tokyo KYODO in English 1222 GMT 7 Aug 94

[Text] Nagasaki, Aug. 7 KYODO—Japan's largest antinuclear civic group urged the government Sunday [7 August] in this atom-bombed city to enact a bill that would give allowances to the bereaved families of bomb victims in Hiroshima and Nagasaki.

Shigetoshi Iwamatsu, chief of the group's panel overseeing a 1994 international meeting of antinuclear activists, made the appeal before some 3,500 activists and members of the Japan Congress Against Atomic and Hydrogen Bombs (Gensuikin).

The group, affiliated with the Social Democratic Party (SDP) of Prime Minister Tomiichi Murayama, will hold panel discussions Monday on a proposal to wage a campaign to enhance the nuclear Nonproliferation Treaty (NPT), organizers said.

The panel discussion will be followed by a plenary session of Gensuikin members and international activists Tuesday, with the attendance of some deputies from the Liberal Democratic Party, the SDP's coalition partner, they said.

Meanwhile, another major antinuclear group, the communist-led Japan Council Against Atomic and Hydrogen Bombs (Gensuikyo), will kick off debate Monday in Nagasaki on how to banish nuclear weapons from the world with the attendance of antinuclear activists from other countries, officials said.

They will discuss proposals to expand an international network of antinuclear activists as well as a plan to extend a helping hand to non-Japanese victims of nuclear tests who were exposed to radiation, they added. The group will hold a plenary session Tuesday.

Chances of Aid for Atom Bomb Victims 'Dim'

OW0608115294 Tokyo KYODO in English 1126 GMT 6 Aug 94

[By Takehiko Kajita]

[Text] Hiroshima, Aug 6 KYODO—Despite the pacifist Social Democratic Party (SDP) chief's hold on power, prospects remain dim for the enactment of a new law to provide aid to people suffering from after effects of the 1945 atomic bombings in Japan.

For A-bomb sufferers, SDP Chairman Tomiichi Murayama's ascent to the premiership in late June was cause for optimism, in that it appeared to offer a golden opportunity for a long-hoped-for relief law for A-bomb victims.

Many A-bomb survivors and their supporters thought the birth of a socialist prime minister would surely open the way for the enactment of a new aid law, judging from the decades of effort the SDP invested in trying to pass such a bill into law.

But now, well over a month after Murayama took the reigns of power, the initial euphoria is fading fast.

At a news conference Saturday [6 August] in the world's first city to be devastated by a nuclear bomb, Murayama voiced his desire—albeit cautiously—to enact a relief law as quickly as possible apart from overall war compensation issues.

But the premier's failure to chart a course for the enactment of a new aid law apparently disappointed those who have expected the socialist prime minister to bring good news to Hiroshima, where earlier in the day he attended a peace memorial rite commemorating the 49th anniversary of the U.S. atomic bombing of the city.

Behind Murayama's perceived cautiousness looms the shadow of a row between the SDP and the conservative Liberal Democratic Party (LDP), a partner of the ruling coalition, over the enactment of new legislation to provide aid to A-bomb survivors.

While the SDP has long wanted a new relief law that would replace the two existing laws regarding the issue, the LDP has always stood in its way, rejecting the SDP's demand for clearly stating the Japanese Government's war responsibilities and its duties to compensate A-bomb sufferers.

The dispute between the SDP and the LDP, longstanding archrivals until their inconceivable tie-up in June to form the current coalition, is nothing new and is deep-rooted.

In 1974, the then opposition SDP, along with other opposition parties, first submitted to the Diet a bill to provide aid to A-bomb victims based on the principle of national responsibility.

Similar legislation cleared the House of Councillors twice—in 1989 and 1990—but did not pass the LDP-dominated House of Representatives.

"The idea of national compensation (for A-bomb victims) is problematic in terms of balance with other war sufferers," said Koichi Kato, chairman of the LDP's Policy Affairs Research Council, explaining the party's adamant opposition to the enactment of a relief law.

A Hiroshima taxi driver echoed Kato's view, saying, "There's no need for such a law. Why should there be a difference between A-bomb victims and those who were burnt out in other air raids?"

Although war veterans and their families are entitled to receive state pension but there is no national compensation for ordinary people who suffered in the war.

Murayama has also acknowledged the differences of public opinion over whether to treat A-bomb sufferers as something special and supply them with state pensions.

Commenting on the prospects of including the concept of government responsibility for compensating A-bomb victims in a new relief law, the premier said merely, "That's where things are most difficult."

As a de facto compromise between the SDP and the LDP, the three ruling coalition parties have agreed to set up a project team later this month to address the relief law issue along with the question of Japan's war responsibilities leading up to the 50th anniversary in 1995 of Japan's defeat in World War II.

"Consultations among the three parties will be a grand experiment," a senior government official said, with no idea of the potential outcome.

Other officials are taking the stronger view that the SDP will eventually have to give up the idea of enacting a law including the national compensation concept.

One anonymous official questioned, "Can we support A-bomb victims with national compensation? Can we really pay out several trillion yen for them from the national coffer?"

"Everyone can understand that such things are impossible. Even the SDP can understand that and will be able to make concessions," he said.

SDP secretary general Wataru Kubo, noting the need for the government to provide relief to A-bomb survivors, forecast earlier this week that coalition talks on the issue will be resolved and that his party's stand would hold forth.

"The LDP and the SDP have different views on the current situation and what impact it will have on the future," he said. "If these merge into one, the two parties have only to carefully discuss what steps to take and pass the necessary legislation into law quickly."

Forum on World War II Compensation for Asians Set

OW0808084794 Tokyo KYODO in English 0829 GMT 8 Aug 94

[Text] Tokyo, Aug 8 KYODO—Asian sufferers of Japan's World War II actions and their supporters will meet in Tokyo on Aug 13-14 to discuss postwar compensation issues, organizers said Monday.

The International Forum on War Compensation for the Asia-Pacific Region 1994 will feature former Filipino "comfort women," and Korean residents in the Russian far east island of Sakhalin who are seeking to return permanently to South Korea, they said.

On Aug 12, forum representatives will meet with Chief Cabinet Secretary Kozo Igarashi to request the government to deal positively with the postwar compensation issue.

The forum will take place at Zenrosai Kaikan Hall in Tokyo's Shibuya Ward.

Some 50 participants from 15 nations are scheduled to attend the meeting, the organizers said. Among them will be those from South Korea, the Philippines and Indonesia.

Historians estimate that between 100,000 and 200,000 women, mostly Koreans, were sent to frontline brothels as comfort women during World War II to provide sexual services to Japanese soldiers.

In August 1993, the Japanese Government acknowledged for the first time there were cases that the Japanese Imperial Army forced Asian women into sexual servitude.

The southern half of Sakhalin was under the Japanese control until the end of World War II and is still the home of a number of Koreans who were taken there as forced labor by Japan.

In July, government sources said Japan plans to earmark a total of 100 billion yen over the next decade to finance its pledge to "take measures that would substitute for war compensation."

No specific measures have been designated yet, nor has the amount for fiscal 1995, which starts next April 1, been specified.

Also in July, government officials said Japan will increase educational funding for Asian students in this country as part of its avowed steps to provide "substitute war compensation" to express Tokyo's repentance over the so-called "comfort women" issue.

DA Requests Funding To Examine TMD Project

OW0608032894 Tokyo MAINICHI SHIMBUN in Japanese 5 Aug 94 Morning Edition p 1

[Text] On 4 August, the Defense Agency [DA] decided to include an outlay for examining the "theater missile defense" (TMD) system project in its budget request for FY 1995. The United States has been asking Japan to participate in the project. This is the first time that the DA has demanded a budget outlay for the TMD project. The amount is expected to be between 2 million-3 million yen and 20 million-30 million yen.

The TMD project is aimed at establishing an air defense system under which incoming ballistic missiles would be detected by a satellite and shot down by surface-to-air missiles.

Fujitsu Sets Up Team To Study TMD Project

OW0808043094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Aug 94 Morning Edition p 8

[Text] Fujitsu Ltd. has set up a team of experts to study the theater missile defense (TMD) project, which is a concept designed to counter ballistic missiles and other forms of attack by the DPRK. The United States has asked the Japanese Defense Agency to participate in this project. Building an air defense system is expected to be a crucial task in future defense programs after FY 1996. Fujitsu has thus decided to embark on carrying out basic research on various types of sensors and command network systems, among other things.

The team of experts has been organized mainly around technicians from Fujitsu's Kawasaki factory (located in Nakahara-ku, Kawasaki city). Among other things, the team will carry out basic research on various types of sensors designed to detect the launching of enemy missiles, and command network systems for preparing to intercept such missiles. Research work reportedly will not be carried out with specific intentions of developing and deploying equipment. Instead, it is said that the work is at a stage where "theoretical studies are being conducted on efficient interception systems."

The TMD system is a multifaceted interception system in which sensors installed on satellites and aircraft are used to confirm the launching of the enemy's ballistic missiles, which are then intercepted by missiles based on the ground and on naval vessels. In Japan, there are passive views about participating in the project because of such factors as the principle of the peaceful use of space. However, there is no question that the issue of an antimissile air defense system will be taken up in the next defense program. The Mitsubishi Electric Corporation has already set up a team of experts to study the TMD project. Stepped-up research activities on the project are now expected to be seen mainly among firms participating in the Western Pacific (Westpac) missile defense architecture study program.

Budget Forces GSDF To Reduce Exercises

OW0608002594 Tokyo ASAHI SHIMBUN in Japanese 5 Aug 94 Morning Edition p 1

[Text] On 4 August, the Ground Staff Office [GSO] of the Ground Self-Defense Force [GSDF] decided to drastically reduce the costs of military exercises for FY 1995 by suspending for the first time long-range bombardment exercises and tank-regiment-level exercises. This decision was made to comply with a government decision to hold down the growth rate of defense spending under the budget request ceilings for FY 1995 to 0.9 percent. The Defense Agency [DA] for its part intends to make a formal decision at the end of August. However, because there are few budget items that can be reduced, it is believed that tank-regiment exercises and other exercises will certainly be discontinued.

The GSDF is expected to suspend long-range-firing exercises by 203-mm self-propelled howitzers which a field artillery contingent stationed on Hokkaido is currently conducting at the Yausubetsu training ground (located in Bekkai-cho, Hokkaido). The number of battalions that participate in "change-of-air" exercises—artillery contingents stationed in places other than Hokkaido visit the Yausubetsu training ground to conduct exercises—will be decreased to two from the current 15. This is because the GSDF is unable to bear the costs of the transportation to the Yausubetsu training ground, which is the only huge training ground where long-range artillery exercises can be conducted. Observers say that the decision is also based on the review of the DA's "strategy of attaching importance to the northern part" of Japan following the end of the Cold War.

Tank-regiment exercises, which are conducted on Hokkaido each year on a scale of one regiment (approximately 1,000 personnel), are expected to be suspended completely.

Although the costs of the training exercises of the GSDF as a whole amount to approximately 14 billion yen (in FY 1994) annually, about a 3-percent cut is expected to be achieved with the suspension of training exercises for both field artillery contingents and tank regiments. According to a senior GSO officer, such a large-scale reduction of training exercises will be implemented for the first time.

In taking measures other than the suspension of training exercises, the GSDF intends to refrain from renovating vehicles such as trucks whose working life has expired and to give up a plan to increase the number of personnel, including air-traffic personnel. It is reported that as a result, the number of GSDF vehicles will be about 1,900 fewer than the set number and that the actual number of GSDF members will account for only 96 percent of the necessary total.

Personnel and provisions expenses, and the so-called future obligatory outlay expenses relating to frontline equipment such as tanks which have been procured in previous fiscal years, account for about 80 percent of defense-related expenditures. "Current year materials expenses," which are flexible in an annual defense budget, account for only about 20 percent. In addition, personnel expenses and the "consideration budget" for bearing the cost of the stationing of U.S. forces in Japan are expected to increase in FY 1995. The senior GSDF officer said, "There are no items other than equipment-maintenance expenses and training exercise expenses that can be reduced."

The Maritime Self-Defense Force [SDF] and Air SDF are also considering scaling down their training exercises.

Although the DA demanded that the ceiling for the defense budget be set at 2.8 percent, the ruling parties on 28 August agreed on a 0.9-percent increase in response to the hopes of the Social Democratic Party of Japan, which called for "disarmament." The DA then began estimating its budget request.

SDPJ Bill Urges Adopting 'Limited Defense'

OW0708225094 Tokyo YOMIURI SHIMBUN in Japanese 4 Aug 94 Morning Edition p 1

[Text] The contents of a draft of the "basic security bill" worked out by the Social Democratic Party of Japan's

[SDPJ] were disclosed on 3 August. The SDPJ plans to submit it to a special party convention on 3 September for review.

In dealing with Japan's defense policy in case of aggression from a foreign country, the draft proposes adopting a principle of "limited defense" [gentei boei], an idea which is more limited than the idea of defense exclusively for defensive purposes [senshu boei—which the party has held as its principle so far]. The draft states: "The country shall be able to use minimum necessary force in and around its territories until the UN Security Council takes necessary actions to ensure the security of Japan."

The draft bill proposes not to allow the Self-Defense Forces [SDF] to possess offensive-purpose arms and equipment, and declares: "We shall endeavour to reorganize and reduce the SDF in light of changes in international situations."

The SDPJ plans to announce major changes in its defense policy at the special party convention, for instance, accepting the SDF as being constitutional. But by legislating this bill, which will strictly limit the missions of the SDF and will point in a direction toward arms reduction, the SDPJ also wants to ease intraparty opposition to the changes in the party's policy.

The basic point of this bill is "limited defense." The draft bill insists the Liberal Democratic Party [LDP] administrations in the past have continuously built up arms under the name of "defense exclusivly for defensive purpose" since the end of the world war, and proposes that arms be reduced. Specifically, it suggests implementation of a phased reduction and reorganization of the SDF over the next 10-years starting in 1995, and eventually cutting about 50 percent of the SDF's equipment in the future.

The draft bill defines the SDF as the "minimum necessary organization for defending Japan's territories" under the principle of "limited defense." In addition, the bill refers to various other principles which have been adopted by the party in the past, including those declaring not to use the collective security right; not to own arms of mass destruction like nuclear, chemical, and biological weapons; and not to "send SDF troops overseas" for the purpose of exercising force; and not to adopt a draft system [to recruit soliders].

Murayama: Steps Needed To Fix Yen's High Value

OW0508114494 Tokyo KYODO in English 1132 GMT 5 Aug 94

[Text] Nagano, Japan, Aug. 5 KYODO—Prime Minister Tomiichi Murayama said Friday [5 Aug] the high value of the yen should be corrected through "comprehensive measures."

Murayama gave no specifics for the measures in making his remark at an informal meeting of executives of the Tokyo Chamber of Commerce and Industry in Chino, Nagano Prefecture, central Japan.

Answering questions from a local businessman, Murayama also said it would be difficult to change the present floating exchange rate system.

The businessman urged revision of the system, saying that if the yen's value remains at the present level, Japan's manufacturing industries will collapse.

Official: Next Report on Economy More Optimistic

OW0808054294 Tokyo KYODO in English 0441 GMT 8 Aug 94

[Text] Yamaguchi, Japan, Aug. 8 KYODO—The government's next monthly report on the economy is expected to contain a more optimistic assessment than the previous one, a top government official said Monday [8 Aug].

"I believe the monthly economic report due out Friday this week will advance half a step in describing the economy compared with the previous month's report," said Masahiko Komura, director general of the Economic Planning Agency, at a press conference in Yamaguchi, Yamaguchi Prefecture, western Japan.

In the previous report, the agency noted that "bright signs have begun to spread," building on an earlier diagnosis which noted "bright signals in some areas."

Komura also noted that the summer heat wave is working in favor of the economy, calling it "very good," at least from an economic point of view.

Recently, strong sales of weather-sensitive products such as air conditioners have helped boost consumer spending, a key driving force of the economy.

MITI Nurtures Industries for Future Economy

OW0708210894 Tokyo ASAHI SHIMBUN in Japanese 5 Aug 94 Morning Edition p 11

[Text] To nurture new industries that will lead the Japanese economy in the 21st century, the Ministry of International Trade and Industry [MITI] has decided to greatly expand and improve a system of assisting in starting enterprises in new business sectors. The decision is based on its judgment that if the further appreciation of the yen continues at a time when the existing business sectors, such as automobiles and home electric appliance industries, have all matured, the hollowing out of the Japanese industrial base will be inevitable.

Nurturing new industries and assisting in inaugurating enterprises constitute a main feature of MITI's future policies. As a specific measure, by this coming autumn MITI plans to concentrate various functions of helping to start enterprises and giving information on a support system for medium- and small-size firms into the Venture Enterprise Center (VEC; formerly the Venture Business Nurturing Center [name as published]), a MITI auxiliary organization, and the new business promotion section, which has recently been set up within MITI. Currently, these functions have been exercised independently by MITI itself, the Small and Medium Enterprise Agency, government-affiliated financial institutions, and each prefectural government.

MITI will standardize a number of application forms for official assistance for the benefit of applicants. It will also consider among its efforts to improve assisting measures increasing the bedt limit liabilities that the VEC accepts for companies.

MITI will also discuss with the Finance Ministry a plan to supply enterprises with private funds on the existing over-the-counter market by easing open market restrictions.

Panel Says Expressway Toll Rises 'Inevitable'

OW0808114294 Tokyo KYODO in English 1115 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—A government panel on public services fees reached a consensus Monday [8 August] that minimal raises in expressway tolls are inevitable, officials said.

The panel, which advises the prime minister, also agreed that the proposed toll hikes should be permitted on the condition that expressway operators implement restructuring programs.

The green light given by the panel will allow the government to move on adopting toll revisions within the month, government sources said.

The former government put on hold the proposed fee hikes for seven public services in May, out of fear of a negative impact on the fragile economy, but the government of Prime Minister Tomiichi Murayama decided recently to allow such fees to go up after the freeze expires at the end of the year.

The panel urged government debate on the much criticized pool system under which drivers must pay for future expansion of expressway systems.

The Construction Ministry showed a willingness to consider the request.

Ministry Reports Current Account Surplus Grows

OW0508114794 Tokyo KYODO in English 1101 GMT 5 Aug 94

[Text] Tokyo, Aug. 5 KYODO—Japan's surplus in trade and services rose by an unadjusted 2.2 percent for the January-June period from a year earlier to 68.78 billion dollars, the Finance Ministry said Friday [5 Aug] in a preliminary report.

The surplus in the current account, measuring goods, services and some unilateral transfers like grant aid, was the biggest ever for any six-month period, a ministry official said.

The nation's high-profile surplus in trade, the bulk of the current account, increased 5.0 percent for the first half of 1994 from a year before to 71.79 billion dollars, with exports up 6.5 percent to 181.87 billion dollars and imports up 7.5 percent to 110.08 billion dollars.

The trade surplus for the January-June period was the second biggest for any six-month term, the official said.

In volume terms, exports decreased 0.9 percent for the first six months from a year before, while imports increased 10.4 percent, the official said.

Despite the growth valued in the dollar, the official said Japan's current account and trade surpluses may continue contracting on a yen basis.

In yen terms, the current account surplus fell 6.7 percent for the January-June period from a year earlier and trade surplus decreased 4.1 percent, with exports down 2.7 percent and imports down 1.7 percent.

The yen-dollar exchange rate for customs-cleared exports was up 9.7 percent for the January-June period from a year before to an average 106.11 yen to the dollar from 116.43 yen, while the import rate was up 9.8 percent to 106.15 yen to the dollar from 116.51 yen, according to the official.

The balance of services posted a 417 million dollar surplus for the first six months, down 77.3 percent from the same period last year.

Deficits in unilateral transfers increased 16.4 percent to 3.43 billion dollars. Long-term capital transactions showed a surplus of 12.91 billion dollars.

The ministry also reported the nation's current account surplus in June rose 4.7 percent from a year earlier to 11.11 billion dollars.

The June surplus in trade grew 14.2 percent to 13.11 billion dollars, with exports up 9.4 percent to 32.58 billion dollars and imports up 6.5 percent to 19.48 billion dollars.

The official attributed the increases to special factors—one more working day in the month than last year and intensive exports of vessels.

In volume terms, exports increased 6.2 percent from a year before and imports rose 13.5 percent, the official said.

The yen-dollar rate for customs-cleared exports was up 3.5 percent in June to an average 104.27 yen to the dollar from 107.88 yen a year before, while the import rate was up 3.5 percent to 104.29 yen from 107.97 yen, he said.

The balance of services posted a 1.59 million dollar deficit in June, expanding 283.1 percent from a year earlier, mainly due to a bigger deficit in travel services, the official said.

Deficits in the balance of unrequited transfers came to 414 million dollars, compared with 181 million dollars in May, down from 457 million dollars a year before.

Long-term capital transactions posted a deficit of 7.73 billion dollars, compared with a deficit of 9.85 billion dollars in May and a deficit of 7.42 billion dollars a year before.

Balance of payments (in millions of dollars)

	June '94	June '93
Current Account	11,109	10,608
Trade	13,109	11,479
Exports	32,584	29,771
Imports	19,475	18,292
Services	-1,586	-414
Transfer Payments	-414	-457
Long-Term Capital	-7,728	-7,423
Basic Balance	3,381	3,185
Short-Term Capital	-1,611	-1,036
Errors/Omissions	-8,721	1,301
Overall Balance	-6,951	3,450

Balance of Payments (in millions of dollars)

	Jan.-June '94
Current Account	68,775
Trade	71,791
Exports	181,867
Imports	110,076
Services	417
Transfer Payments	-3,433
Long-Term Capital	12,908
Basic Balance	81,683
Short-Term Capital	-10,646
Errors/Omissions	-1,894
Overall Balance	69,143

Budget Requests for 1995 Rise 4 Percent

OW0508131294 Tokyo KYODO in English 1247 GMT 5 Aug 94

[Text] Tokyo, Aug. 5 KYODO—General-account budget requests for fiscal 1995 starting next April, to be made by government ministries and agencies by the end of August, are expected to total some 76 trillion yen, up 4 percent from the initial fiscal 1994 budget, government officials said Friday.

The 4 percent increase is due to faster-than-expected growth in general operating expenditures, expanding costs of servicing debts and an expected increase in tax grants to local governments, the officials said.

Despite emerging signs of an economic recovery, there can be little expectation of an increase in tax revenues, for example from corporate taxes, they said.

With these higher costs and possible revenue shortfalls, the Finance Ministry is likely to be forced into tough financial management, and intends to squeeze all budget requests to about 74 trillion yen, by strictly screening them in compiling the full budget by the end of this year, they said.

Late last month, the government endorsed a ceiling on general operating expenditures—the core budget for defense, public works and other key spending that excludes debt-servicing costs and tax grants allocated locally.

According to this framework for ministerial requests, general operating expenditures are to total 42.82 trillion yen, up 4.8 percent from the initial fiscal 1994 budget.

As usual, ministries and agencies are certain to make requests up to the limit of the ceiling, the officials said.

Debt-servicing expenses are expected to reach nearly 12 trillion yen just for interest payments, partly because interest rates are rising and the issue balance has increased, they said.

The government must also earmark more than 3 trillion yen for putting a fixed portion of the issue balance into the national debt consolidation fund so as to reduce national debts on schedule.

Consequently, the costs of servicing debts are likely to total about 16 trillion yen, the officials said.

Tax grants to local governments—allocation of a certain percentage of tax revenues—are expected to increase sharply over initial fiscal 1994 budget levels, but may total less than 15 trillion yen, down from the Finance Ministry's medium-term estimate of 16.76 trillion yen, due to a high possibility of smaller tax revenues than expected, they said.

In addition, the government will appropriate 1.3 trillion yen, as in the past, for transferring profits from sales of government-held Nippon Telegraph and Telephone Corp. shares to the special account for industrial investment, the officials said.

General operating expenditures will also include 568 billion yen to make up for shortfalls in the fiscal 1993 budget, they said.

Finance Ministry To Assist in Drafting Tax Bill

OW0808101894 Tokyo KYODO in English 0925 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—Vice Finance Minister Jiro Saito said Monday his ministry will cooperate with the ruling coalition in drafting a tax reform bill by the targeted deadline of mid-September.

"It is natural that we will cooperate with the ruling coalition, which has said (it wants) to draw a conclusion by mid-September" Saito said at a press conference.

Asked if it would be difficult to draft the bill by that time as Finance Minister Masayoshi Takemura indicated recently, Saito said only that the finance minister was candid in saying the government is running out of time.

"I think he meant he is afraid of a delay," Saito said.

On a Sunday TV talk show, Takemura voiced concern on whether the ruling coalition could agree on a tax reform bill by mid-September and said that may impede the government's goal of submitting the bill to the Diet by the end of this year.

Parties Discuss Containing Consumption Tax Hike

OW0508130894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Aug 94 Morning Edition p 1

[Text] Within the government and ruling parties there is now emerging a proposal to tie the tax system reform, which would include revising the tax bracket classifications, to current fixed-rate tax reductions [on income and residential taxes] as a way to continue into 1995 the reduction of income and residential taxes in the same scale as that for 1994 (totaling 5.5 trillion yen).

The idea is that when the consumption tax rate, which is now 3 percent, is raised in the future, the raise should be limited to the extent that is enough only to fill up the shortfalls in revenue following the tax system reform, and that fixed-rate tax reductions [on income and residential taxes] should be held down. The aim is to contain the increase of the consumption tax rate [which will come from the tax system reform] as much as possible. One problem with this proposal is that when the current fixed-rate reductions [on income and residential taxes] are held down, overall income taxes will rise back up. Hence, that will become a focal point of debate on this idea.

Shortly before the opening of the Naples summit in July, the government announced that it is considering continuing into 1995 the reductions of income and residential taxes in the same scale as those for 1994. In doing this, the government and the ruling parties at first discussed continuing the tax reductions worth 5.5 trillion yen by revising the tax system so that relatively low rates of income and individual residential taxes may be applied to mid- level salaried workers.

But now there are emerging voices from the Social Democratic Party of Japan [SDPJ] and Sakigake [Harbinger] saying that "5.5 trillion yen should be secured by coupling the tax reductions, which will come from the tax reform, with the fixed-rate tax reductions [on income and residential taxes]." What they want is to effect tax reductions for 2.5 trillion yen from the tax system reform and for 3 trillion yen from the fixed-rate tax reductions [in income and residential taxes].

The reason for this view's emergence is that many people in the ruling parties do not favor raising the consumption tax rate too high.

If tax reductions in the scale of those for 1994 are to be implemented by reforming the tax system and by raising only the consumption tax rate, the consumption tax rate will need to rise to more than 6 percent. If the scale of the tax reductions stemming from the tax system reform is contained somewhat, then the consumption tax rate can be raised more moderately, these people think.

One percent in the consumption tax rate converted into tax revenue amounts to a little less than 2.4 trillion yen. If the amount of tax reductions done by the tax system reform is supposed to be 2.5-3 trillion yen, the consumption tax rate will need to be raised from the current 3 percent to only 4-5 percent.

Within the government, cabinet members from the SDPJ and Sakigake, including Finance Minister Takemura, are beginning to think favorably about the proposal.

But some administrative officials of the Finance Ministry voiced disapproval of such a view, saying: "If the tax system reform is done in a half-finished way, the existing distortion in the income tax system cannot be removed." Some members of the ruling parties also objected, insisting: "Article 5 of the Bylaws for the 1994 Special Tax Reduction Law states the tax reductions after 1995 should be done by reforming the tax system. This idea contradicts the provisions."

As such, it is not too clear yet whether this proposal to couple the tax reform-oriented tax reductions with the fixed-rate tax reductions will become a reality. But the ruling parties' discussions of the tax reform issue need to be finalized by the middle of September. The question of whether or not they can go ahead with this idea will be a major point of the discussions.

MITI Seeks Tax Breaks for Foreign Firms

OW0508104094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 August 94 Morning Edition p 1

[Text] The Ministry of International Trade and Industry [MITI] plans to ask the Finance Ministry for a two-year extension of the tax breaks aimed at promoting investments by foreign firms in Japan and imports by Japanese enterprises to Japan and for an expansion of the tax breaks application. The tax breaks will expire at the end of 1994. MITI plans to ask the Finance Ministry for the extensions after concluding that the tax breaks will still be needed to promote foreign investment in Japan and increase Japan's imports—a major agenda at the Japan-U.S. economic framework talks. MITI also will ask the Finance Ministry to abolish restrictions on the types of foreign companies that are eligible for the tax breaks and expand the application of the tax breaks to foreign communications, financial, and transportation companies eager to gain access to the Japanese market. MITI intends to promote the imports of prefabricated houses as part of its efforts to reduce Japan's trade surplus and address price differentials between Japan and other nations.

The Finance Ministry is saying: "We will study the MITI requests after being briefed on them." However, there is a high possibility that the Finance Ministry will accept the MITI requests out of consideration for Japan's trade partners.

What MITI intends to ask the Finance Minister to extend and expand are the preferential tax system under the Import and Domestic Investment Law for Investments by Foreign Firms in Japan and the import promotion tax system for Japanese enterprises. The preferential tax system is applied to foreign firms that purchase land and invest in equipment and plants in Japan. Under the system, foreign firms operating in Japan are eligible for a 20-percent additional tax deduction on equipment and plants for at least five years after they buy them. Under the system, a 10-year deferment of losses, that foreign firms suffer for an initial three years after they start operations in Japan, is acknowledged.

The import promotion tax system preferentially treats Japanese companies that increase their imports of manufactured goods by deducting a certain rate of tax for them in proportion to the amount of increase in their imports. Under the system, wholesalers and retailers are allowed to set aside a certain ratio of increase in the amount of their imports from the business year when the amount of their imports hit an all-time high for the "reserve for the market development of imported manufactured goods" without paying taxes. Under the system, the manufacturing industry can enjoy a 15-percent additional tax deduction of the corporation tax on facilities it imports for its own use. MITI plans to ask the Finance Ministry for a two-year extension of the preferential and import promotion tax systems that are due to expire at the end of 1994.

The application of the preferential tax system is presently restricted to foreign companies whose business types are manufacturing and software. MITI intends to ask the Finance Ministry to abolish the restrictions and expand the application of the system to foreign communications, financial, and transport companies. About 2,400 imported goods are applicable to the import promotion tax system and they are duty-free in principle. Prefabricated houses are far more expensive in Japan than in other nations and MITI intends to ask the Finance Ministry to add prefabricated houses to the 2,400 duty-free items that are applicable to the import promotion tax system.

Finance Ministry on TSE's International Status

OW0808061394 Tokyo KYODO in English 0541 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—The Finance Ministry has set up a project team to stop the erosion of Tokyo's status as a major international financial market, ministry officials said Monday.

The team will primarily conduct hearings with domestic and overseas brokerage houses to find problems and measures in about a year to revitalize the Tokyo market as one of the world's three key markets along with New York and London, the officials said.

Established at the ministry's Securities Bureau with members composed of deputy department managers, the team will also consider reviewing regulatory systems such as securities trading that is relatively high, they said.

The move reflects the ongoing landslide of the Tokyo Stock Exchange (TSE), with foreign firms increasingly withdrawing from being listed and foreign brokerage houses stepping up moves to shift their Asian operational bases to sharply growing stock and bond markets led by Hong Kong and Singapore.

The officials said the ministry is worried about the Tokyo market losing further ground as an international market without taking any measures.

Meanwhile, TSE officials said the increased delisting stems from high costs to maintain a listing, amounting to more than 10 million yen a year including commissions paid to brokerage houses and expenses to create reports.

Delisting of foreign firms has already reached 13 firms so far this year, and only 97 foreign firms are currently listed, dropping from 127 at the peak in December 1991. This compares with 547 foreign firms listed in London and 165 in New York as of the end of 1993.

The 13 firms that pulled out this year even include the world's leading photo film maker Eastman Kodak Co. and major auto tire maker Goodyear Tire and Rubber Co.

IBJ To Raise Long-Term Prime Rate

OW0808083294 Tokyo KYODO in English 0821 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—The Industrial Bank of Japan [IBJ] said Monday [8 August] it will raise its long-term prime rate by 0.3 percentage points to 4.7 percent per annum, effective Wednesday.

The hike is designed to keep pace with rising long-term interest rates, financial sources said.

The sources said other long-term credit banks are expected to follow suit.

Auto Industry To Change Minicar Specifications

OW0508090894 Tokyo KYODO in English 0829 GMT 5 Aug 94

[Text] Tokyo, Aug. 5 KYODO—The automobile industry submitted a formal application to the transport ministry on Friday [5 Aug] for approval of a model change in minivehicle specifications, industry officials said.

The officials of the Japan Automobile Manufacturers Association said the request calls for an extension of the maximum body length by 10 centimeters to 3.4 meters to improve the level of safety in case of a head-on collision.

The standard change is in line with the ministry's move to improve safety requirements for minivehicles, they said.

Under new regulations, manufacturers are required to ensure safety of drivers even if their vehicles collide head-on while cruising at 50 kilometers per hour, up from the present 40 kph.

The association decided to refrain from changing the engine capacity, now set at 660 cc, and other standards, the officials said.

The ministry plans to set new standards for minivehicles by the end of fiscal 1995, which starts April 1, 1995.

Farming Ministry To 'Ease' Rice Regulations

OW0508130394 Tokyo ASAHI SHIMBUN in Japanese 1 Aug 94 Morning Edition p 2

[Text] The Ministry of Agriculture, Forestry and Fisheries [MAFF] has decided to significantly ease regulations on rice thereby limiting the government's roles to the storing, importing, and buying of rice from farmers who have agreed to reduce their rice paddy acreage. To introduce a selective rice paddy acreage reduction system which gives such farmers "the freedom to grow and sell rice," the government has set a quantitative limit and will buy rice only from such farmers.

In addition, the government also wants to make the distribution of direct-deal rice between producers and wholesalers a major part of the rice distribution system; it wants to sell black-market rice through such a distribution system; and wants to promote its efforts to move into the collecting, wholesaling, and retailing of rice.

Following the change from the Hata administration to the coalition government formed by the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger], it is expected that Nosui zoku-giin [influential Diet members concerned with agricultural issues] will make a comeback. However, the MAFF wants to incorporate the above measures in a draft proposal for reform of the food control system.

Following the MAFF's decision, the Agricultural Administration Reform Council, an advisory organ to the prime minister, will hold discussions and prepare a report by mid-August. In order to change its fundamental rice policies, the MAFF is studying the possibility of presenting to an extraordinary Diet session a new law to stabilize supply, demand, and the price of rice by abolishing the current Staple Food Control Act.

Under this law, which was enacted in 1941, the government has maintained the principle that it should control every aspect of the rice market. Following last year's poor harvest and the rice shortage Japan experienced this spring, the influence of black-market rice, which cannot be controlled by the government, grew big. The MAFF concluded as a result of this experience that it is impossible to maintain strict control, and so decided to shift to "partial control." It plans to make the most of the market mechanism by turning over its power and responsibility to reduce rice paddy acreage to agricultural cooperative associations and control of rice prices to distribution circles.

However, the government will continue to play a role in such areas as coordinating overall demand for rice, rice pricing, inspecting rice, and rice distribution.

It will also abolish the responsibility of farmers "to sell the rice they produce to the government," as stipulated in the Staple Food Control Act. The government will also stop its practice of forcing farmers to uniformly reduce rice paddy acreage. Instead, the government will allow rice farmers to make their own decisions on acreage. The government will also abolish the punitive regulations imposed on municipalities and farmers who fail to achieve targets in reducing rice paddy acreage. Farmers, if they are also designated rice dealers, will be free to choose buyers within certain limits.

To prevent excessive production, however, the government, as in the past, will present to each municipality a target for rice paddy acreage reduction. The government will buy rice from farmers who have observed the acreage reduction plans, at the minimum guaranteed price (producer's rice price) if rice prices crash. It will, however, after learning a lesson from its problems in disposing of excess rice production, will set a limit of about 2 million tons on the amount of rice it buys at such a prices.

Regarding minimum access, or the partial liberalization of rice imports which are due to start next year, only the Food Agency will be tasked with importing rice. At the same time, the government will make the most of the market mechanism to determine the prices of foreign rice by introducing a bidding system among private dealers. The government will keep about 1.5 million tons of rice in stock to prepare itself for a lean year or other emergency. The National Federation of Agricultural Cooperative Associations [NFACA] will help the government stock rice against emergencies.

The foundation of the government's rice distribution system will be direct deal rice, rather than rice it buys itself or black-market rice. The government plans to strengthen the function of the Organization for Determining the Price of Direct-Deal Rice [Zaidanhojin Jishu Ryutsumai Kakaku Keisei Kikou]. In addition to direct-deal rice between producers and wholesalers, rice for processed foodstuffs and government rice will be included in the listed bidding issues to determine their reference prices.

Report Details Crime Statistics for Jan-Jun

OW0608002494 Tokyo KYODO in English 2315 GMT 5 Aug 94

[Text] Tokyo, Aug. 6 KYODO—The number of crimes committed in the first six months of this year marked the first annual decline in five years from the corresponding period of 1993 to 836,642, according to a National Police Agency report released Friday [5 August].

The figure represented a 1.3 percent year-on-year drop from the first half of 1993, the agency said.

The ratio of crimes resulting in arrests to the overall number of crimes rose to 43.3 percent for the second consecutive rise, the report said. The figure marked a 3.5 percent increase over that of the same period a year earlier.

The number of felony crimes such as murders and armed burglary—monitored by the agency as a yardstick to measure the level of security in Japan—skidded, alongside with high-skilled thefts like pickpocketing and break-ins, the report said.

The ratio of murders and other such heinous crimes resulting in arrests to the overall number of such crimes edged up 1.0 percentage point to 88.1 percent, it said.

The ratio of high-skilled thefts resulting in arrests to the overall number of such crimes leapt 6.9 percentage points to 70.2 percent.

A conspicuous trend in crime patterns in the six-month period was the doubling in the number of armed robberies of supermarkets and convenience stores that operate around the clock, it said.

About 70 percent of such armed robberies were committed between 3 A.M. and 5 A.M. when 24-hour stores are often manned by a single clerk, the report said.

Illegal fund-raising activities by crime syndicates and forcible collection by gangsters of corporate debts incurred by bankrupt business firms remains rampant, it said.

Cases of violent attacks on corporate executives by gangsters totaled four during the period. All of the gangsters involved in the incidents were associates of Japan's largest organized crime group, the Yamaguchi-gumi, according to the report.

The new Anticrime Law, however, helped to squeeze the fund- raising activities of small branch groups of large crime syndicates, it said.

During the six-month period, police issued a total of 537 orders urging crime groups to stop blackmailing small businesses and merchants under the pretext of collecting "bodyguard fees" for purported protection.

The number of orders was 2.3 times that of the corresponding figure in 1993, the report said.

Water Shortage 'Forced' Industry Cutbacks

OW0508094094 Tokyo KYODO in English 0906 GMT 5 Aug 94

[Text] Tokyo, Aug. 5 KYODO—A serious water shortage stemming from a prolonged drought has forced a number of industrial plants in western Japan to curtail operations, government and industry officials said Friday [5 Aug].

Some plant shutdowns may be required if the drought continues, the officials said.

A survey by the Ministry of International Trade and Industry (MITI) showed the water shortage has seriously affected operations at 1,470 industrial plants, especially petrochemical plants and paper mills.

The officials said the water shortage could delay a national economic recovery.

Petrochemical plants, which use a large amount of cooling water, have been most seriously affected by the water crisis.

At the Mizushima industrial complex in Okayama Prefecture, western Japan, Asahi Chemical Industry Co. and Mitsubishi Kasei Corp. have reduced ethylene production by 25 percent each due to a 50 percent water supply cut.

At the industrial complex in Yokkaichi, Mie Prefecture, central Japan, Tosoh Corp. has cut petrochemical production by 30 percent to deal with a 50 percent cut in water supply for industrial use, company officials said.

If the drought continues, the water supply for industrial use in Yokkaichi is likely to be reduced by 75 percent after Aug. 20 and that could force Tosoh to temporarily shut down its ethylene plant, the officials said.

New Oji Paper Co. and Nippon Paper Industries Co. have suspended production of high-quality paper at their plants on Shikoku island, the smallest of Japan's four main islands, due to water shortage.

The suspension has caused a total loss of 430 million yen to the two firms, company officials said.

Major Japanese steelmakers say their operations would not be affected by a possible 50 percent water supply cut.

The water shortage, however, has prompted NKK Corp. to shift steel sheet production from its Fukuyama works in Hiroshima Prefecture, western Japan, to its Keihin works in Kanagawa Prefecture outside Tokyo.

MITI, meanwhile, plans to offer special loans to small businesses affected by the water crisis, ministry officials said.

Information Disclosure Body's Formation Deferred

OW0808073594 Tokyo SANKEI SHIMBUN in Japanese 5 Aug 94 Morning Edition p 3

[Text] It was decided on 4 August that the establishment of a private advisory body to the prime minister to legislate a law on information disclosure, which was strongly demanded by Prime Minister Tomiichi Murayama, will be called off. This was disclosed by a senior Management and Coordination Agency [MCA] official. A bill on the establishment of a third-party "administrative reform council" aimed at studying the legislation of a law on the information disclosure had already been submitted to the Diet, and carried over to the next Diet session. The MCA resisted the plan to create the body, saying setting up another advisory body was "redundant" (according to a government source). Murayama reportedly agreed to scrap his plan.

Murayama strongly advocated the concept of the advisory body for enacting the information disclosure act in a government public relations television program recorded 29 July, saying he will "set up a council in the near future to establish a system for thorough information disclosure." Because promoting the enactment of an information disclosure law is also included in the Social Democratic Party of Japan's action program, Murayama intended to make this the centerpiece of unique policies of the Murayama administration.

However, it has become difficult to realize the prime minister's plan because the purpose of the Murayama-proposed body is the same as that of the third-party consultative body "administrative reform council," which will also study the legislation of the information disclosure law. Although the cabinet approved the bill on establishing the administrative reform council in mid-March, and submitted it to the Diet, it has been shelved until the next session. A senior official of the MCA, which is in charge of this bill, visited Murayama at his official residence on the afternoon of 2 August, and asked for Murayama's understanding of the possibility that the tasks of the two organs may overlap, by explaining to Murayama the bill's characteristics and background.

After the meeting with Murayama, this official said: "The prime minister merely wanted to show his positive attitude toward the bill's legislation. I think I have obtained his consent."

Nissho Iwai Sells U.S. Network System

942A0509A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 27 Jul 94 p 1

[Text] Nissho Iwai has initiated the marketing of next-generation network-malfunction management systems developed by U.S. software company OSI of California. The system provides the location of problem areas and detailed descriptions of malfunctions when a problem develops in the primary components of interactive CATV [cable television] networks such as in switches, video servers, and home terminals. Nissho Iwai sees demand growing significantly with the spread of multimedia and increased sophistication of communications networks.

The system goes by the name of "NetExpert." Nissho Iwai has signed a sole agent contract with OSI. The system is designed to provide overall surveillance of various network systems, such as private branch exchanges (PBX), ATM [asynchronous transfer mode] switching systems providing high-volume simultaneous transmission of voice and data, and media servers which accumulate and provide for bundle transmission of images. An open system design enables surveillance of communications networks composed of equipment made by several manufacturers.

The system will operate in conjunction with networks such as interactive CATV, LAN's, international communications, and cellular communications. The system was installed in conjunction with "Full-Service Network," an interactive CATV service initiated in April in Florida by Time-Warner Company. The price of the system is 60-70 million yen. Domestically, orders have already been received from KDD and Nippon Mobile Communications.

The system is designed so that the location of a malfunction is pinpointed on a map on the terminal monitor and the severity of the malfunction is indicated by different colors. Repair procedures and contact points for repair engineers can be accessed on the computer terminal, enabling effective disposition of malfunctions by operators regardless of their experience level.

Water Shortage Makes Kawasaki Steel Cut Output

OW0808110194 Tokyo KYODO in English 1045 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—Kawasaki Steel Corp. will reduce production at its steelworks in Okayama Prefecture in western Japan because of the water shortage there, company officials said Monday.

The major steelmaker will cut production at its Mizushima plant in Kurashiki by 10,000 tons a month while covering the reduction with an increased output at its Chiba steelworks, they said.

The long heat wave lashing most parts of the country, especially western Japan, has resulted in the severe water shortage, and at present only half the normal level of water is allowed to be drawn from rivers in Okayama.

Kawasaki has spent 700 million yen to lay pipes to draw unused farm-use water in local areas, making 40,000 tons of water available per day to the company, but there is still not enough water for full production, they said.

Article on Growing Calls for Export Restraint

OW0508141694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Aug 94 Morning Edition p 3

[Unattributed article; first paragraph is NIHON KEIZAI SHIMBUN introduction]

[Text] It has been suggested by the heads of export-related companies, including Nippon Steel Corporation [NSC] Chairman Hiroshi Saito, that exports should be restrained to bring back the yen's exchange rate to an appropriate level and to cut the trade surplus. Such calls are gaining ground within the business world. However, many business leaders still harbor doubts about the effectiveness of export restraint and consider it difficult. The Ministry of International Trade and Industry [MITI] has brushed off the suggestion, saying: "Export restraint leads to export cartels." Regardless of the propriety of the calls proposed by Saito and other business leaders, it can be said they are speaking on behalf of business executives who are irritated at the government and the Bank of Japan [BOJ], which remain unable to draw up effective measures to rectify the yen's exchange rate. Their views, it seems, will create a stir in debates over how to deal with the yen's growing appreciation.

Advocates of export restraint include such business leaders as NSC Chairman Saito; Kyocera Corporation Chairman Kazuo Inamori; Masaru Hayami, chairman of the Japan Association of Corporate Executives [Keizai Doyukai], Fuji Xerox Co. Chairman Yotaro Kobayashi; IBM Japan Ltd. Chairman Takeo Shiina; Ushio Inc. Chairman Jiro Ushio; and Nippon Life Insurance Co. President Sukenari Ito.

The calls for export self-restraint were raised at a summer seminar held by the Federation of Economic Organizations of Japan [Keidanren] in late July, and an argument was made in its favor.

Although there were slight differences, there was a common view that "we must get out of the vicious circle in which the trade surplus causes a further appreciation of the yen if export value continues to rise following the upward trend of the yen's exchange rate."

NSC Chairman Saito said: "Although we do not want to cut our exports, we have to do it because deregulation will not help solve the issue of the yen's appreciation. Unless we go so far as to consider export restraint, we cannot put a brake on speculators' purchase of the yen. Kyocera Chairman Inamori said: "If the yen continues to rise, we will end suddenly up out of breath one day because doing business while yen continues to appreciate is like holding one's breath under water." To prevent this, he said, a sort of managed trade system was inevitable.

The same leaders consider that the ideal way to rectify the yen's exchange rate is by expanding imports. Some of them support the idea of stabilizing the exchange rate by establishing target exchange rates. As Japan's export power is not as strong as before because of improving business conditions in the United States and Asian nations, it takes time for Japan to expand its imports. In addition, it would be difficult to establish target exchange rates. For these reasons, they have no choice but to advocate export self-restraint because there are no other effective measures.

Keizai Doyukai urges that the trade surplus should be reduced to less than 2 percent of gross domestic product (GDP) three years from now. To achieve this goal, Keizai Doyukai Chairman Hayami said it was necessary to boost imports and to study the possibility of taking some export restraint measures. Nippon Life Insurance Co. President Ito stressed: "We need not only to boost imports but also to talk about some painful measures such as export restraint and recycling the trade surplus."

Opinion on how to achieve export restraint is divided. One school of thought wants export industries voluntarily to set up their own framework of managed trade; the other wants export industries to cease unprofitable exports—because some unprofitable goods are exported merely to maintain business turnover.

Advocates of voluntary managed trade include executives such as NSC President Takashi Imai and Kyocera Chairman Inamori. Imai, who serves as the economic policy committee chairman of Keizai Doyukai, said: "There are no other measures which will curb the trade surplus below 2 percent of GDP, although the effect is transitory."

Steelmakers are setting up their own managed trade system and consider it is workable because they have had previous experience of voluntary export control measures. Even within the auto industry, the trade from which accounts for most part of Japan's surplus, there are some business leaders who support the idea of establishing a voluntary, temporary managed trade system.

However, there are other business leaders such as Fuji Xerox Chairman Kobayashi and IBM Japan Chairman Shiina who stress that it is important for industries to refrain from engaging in unprofitable exports.

According to Kobayashi: "Although the export of some goods is unprofitable, we cannot help continuing export of such goods for the purpose of cutting down fixed costs. This, however, is a very dangerous practise."

Scandal-Hit Contractor Ordered To Halt Business

OW0808105094 Tokyo KYODO in English 1012 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—The Construction Ministry on Monday ordered Tobishima Corp., a major contractor, to temporarily halt its business operations over a bribery scandal involving the firm, ministry officials said.

The company will be forced to suspend its operations for 12 days from Aug. 22 to Sept. 2 in accordance with construction industry-related laws, the officials said.

The ministry made the decision following Friday's establishment of a guilty ruling against two former executives of the company.

On July 21, Sukemasa Uera, former honorary chairman of the construction firm, and his son Soichiro, former vice president, received suspended jail terms of two years and 18 months, respectively, for bribing Fujio Takeuchi, the then governor of Ibaraki Prefecture, in 1991.

The Tokyo District Court ruled that the Ueras handed 10 million yen to Takeuchi in exchange for awarding the company a contract for a dam project in the prefecture.

The Ueras accepted the sentence.

Thermal Power Plant Equipment Standards To Ease

OW0808041794 Tokyo KYODO in English 0349 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—The Ministry of International Trade and Industry (MITI) is moving to relax product standards for turbines and other equipment for use in thermal power plants, a ministry official said Monday [8 Aug].

The step is intended to enhance foreign access to Japan's heavy electric machine market by making relevant regulations more in line with international standards, said the official at the Natural Resources and Energy Agency, a unit of MITI.

The official said the electricity utility industry law will be revised next year and over 500 items regulating the manufacture of major thermal power plant equipment will be gradually halved by the end of the century.

Standards and certificates for thermal power plant equipment will eventually be set by a private-sector committee to be created in the future, the official said.

Foreign heavy electric machine makers have claimed Japan's complex and rigid product standard systems constitute as nontariff trade barriers and hamper smooth entry to the Japanese market for major thermal power plant equipment like power generators and power distribution facilities. Such markets are currently dominated by a few Japanese makers.

Budget Reduction Affects U.S. Forces in Japan

Murayama Vows Support for U.S.

OW0808112794 Tokyo KYODO in English 1110 GMT 8 Aug 94

[Text] Tokyo, Aug 8 KYODO—Prime Minister Tomiichi Murayama pledged efforts Monday toward "smooth and effective" security cooperation with the United States, suggesting continued financial support for U.S. forces in Japan despite defense budget belt-tightening.

In a meeting with the new commander of the U.S. Pacific Command, Adm. Richard Macke, Murayama said, "I would like to pay attention to the smooth and effective operation of the U.S.-Japan security system," government officials said.

Macke, stressing the importance of Japan-U.S. relations, expressed gratitude for Japan's shouldering of part of the costs for U.S. forces stationed in Japan.

On the issue of North Korea's suspected nuclear arms program, Murayama reiterated that his government will seek a solution in cooperation with the U.S., South Korea and China.

The U.S. military officer concurred, saying Washington will seek a solution through dialogue.

Earlier in the day, Macke, who assumed command a week ago, made an appeal for Japan's continued financial support of U.S. forces in Japan during a meeting with a senior Defense Agency official.

Macke told Shigeru Hatakeyama, the agency's vice minister, that this support is necessary for maintaining the U.S. forces' presence in the region.

Hatakeyama reportedly promised efforts to ensure an increase in Japan's share of the costs for the U.S. forces, despite fiscal restraints.

Meanwhile, a Foreign Ministry source said the government will likely stick to its plan to fully shoulder the costs of Japanese workers at U.S. military bases.

The plan is based on Japan's official vow to the U.S. and "I believe it will be carried out as is," the source said.

A 1991 special bilateral agreement committed Japan to shoulder a growing portion of the costs for the 22,000 Japanese workers at the bases, and Japan is supposed to cover all of their work-related costs by fiscal 1995.

Official: U.S. Will 'Understand'

OW0708141694 Tokyo SANKEI SHIMBUN in Japanese 4 Aug 94 Evening Edition p 2

[Text] On 3 August, Defense Agency Director General Tokuichiro Tamazawa said expenses allocated for the maintenance of U.S. military bases in Japan were also subject to cutbacks. In connection with this, a government source said on the morning of 4 August: "I think the United States will understand (Japan's plan to curb the expenses) if it considers the fact that the Murayama government is led by the Social Democratic Party of Japan." In this way, he indicated that the planned reduction would not adversely affect Japan-U.S. relations.

The source said the cutback was inevitable because: 1) The projected defense budget increase rate (ceiling) for fiscal 1995 has been held down to 0.9 percent; and 2) the United States is also moving toward cutting its military expenses. He noted that the government would "negotiate with the United States in December (the time when the government compiles its budget)" on cutting expenses for U.S. bases in Japan.

DA Seeks To Delay Payment

OW0608184694 Tokyo MAINICHI SHIMBUN in Japanese 5 Aug 94 Morning Edition p 1

[Text] With reference to the question of the defense outlay in the 1995 budget, the Defense Agency [DA] has come to believe it should delay paying a part of the burden borne by Japan under the Special Agreement until 1996. The burden, which is the expense of stationing U.S. troops in Japan, is supposed to be paid in full annually. The agency is now consulting with the U.S. authorities on the matter, government and ruling party sources disclosed on 3 August. The agency will make a final decision next week.

Since defense spending in the 1995 budget has been set to increase only by 0.9 percent over the 1994 budget pursuant to a ceiling placed on the departmental budget request for defense, more than 80 billion yen needs to be cut [from existing programs]. In setting the ceiling, the three ruling coalition parties agreed that "various adjustments will have to be made to maintain the minimum necessary level of active [military] organizations."

The agency is now studying where cuts can be made, including areas of manpower expenses and other annually paid expenses [saishutsuka keihi]—the areas where it is tough to make reductions. Specifically, the study is being made with regard to 1) expenses for stationing U.S. troops in Japan, 2) extention of the retirement age; and 3) training and exercise expenses.

As far as expenses for stationing U.S. troops in Japan are concerned, under the Special Agreement Japan is supposed to bear U.S. military personnel's basic pay as well as utility expenses from 1991 onward—75 percent of the burden this year, and 100 pecent next year. This means Japan's burden will increase by about 30 billion yen next year.

The Defense Agency has come to conclude: "The limitation set by the ceiling has left us no choice but to look at the expenses of stationing U.S. troops in Japan, too." From the perspective of maintaining the Japan-U.S. security posture, the agency wants to pay its share of the burden in full, but also wants to consult with the United States about the possibility of making the payment over a period extending to 1996.

DA Plans Reduced Spending Budget

OW0708185194 Tokyo YOMIURI SHIMBUN in Japanese 6 Aug 94 Morning Edition p 1

[Text] On 5 August, the Defense Agency [DA] decided to decrease expenses for bearing the cost of the stationing of U.S. forces in Japan [USFJ], in its fiscal 1995 budget request to be submitted to the Finance Ministry at the end of August. It plans to reduce expenses for improving facilities used by USFJ, such as construction of housing for U.S. military personnel and their family, as well as improvement of the sewage disposal system. The DA also decided to reduce spending for noise-control measures, which are the major part of the Self-Defense Forces' [SDF] base countermeasures expenses, and spending for improving barracks for SDF personnel. The DA decided to do so in response to a government decision to hold down the growth rate of defense spending under budget request ceilings to 0.9 percent, the lowest increase in history. However, it is expected that the DA plan will not only affect the relationship of trust between Japan and its ally, the United States, but also incur opposition from local residents living around bases and municipalities concerned.

The DA said: "It is impossible to reduce the budget by more than 60 billion yen by focusing on specific budget items. We have no choice but to tackle it without allowing any exceptions," (as stated by a senior DA official). For this reason, it has decided to be bold in reducing expenses for the USFJ.

Because the DA has to face technical difficulties in reducing some expenses of Japan's burden of the cost of the stationing of the USFJ under the Japan-U.S. special agreement, it decided to reduce other expenses for improving facilities provided to the USFJ, which are not bound by the special agreement.

The DA also decided to reduce expenses for noise-control measures and improving barracks for SDF personnel. This is because now that "Japan has decided to ask the USFJ to suffer from (the defense budget cut), it also needs to share the pain," (according to the same DA official).

Panel Discusses Relations With United States

OW0708164894

[Editorial Report] Tokyo FNN Television Network in Japanese at 2255 GMT on 6 August, during its "News 2001" program, broadcasts a live 33-minute panel discussion on Japan-U.S. relations. Participating in the discussion are Hiroyuki Sonoda, deputy chief cabinet secretary; Eisuke Sakakibara, a Finance Ministry official and a Japanese negotiator at the Japan-U.S. trade talks; Susumu Nishibe, a political commentator; and Kenichi Takemura, a political commentator. The discussion is moderated by FNN announcers Yuji Kuroiwa and Megumi Sekito.

Kuroiwa first asks for Sonoda's comments on the anxiety among some people that if the United States imposes sanctions against Japan, following the recent rupture of trade talks on government procurement, bilateral relations would be thrown into a critical situation. Sonoda says: "I am not very worried, though we may face some difficulties from now on." Sakakibara agrees with Sonoda. He notes that the number of cases that the United States has negotiated with Japan under threat of sanctions totals about 100 over the past 14 years. He says: "We have to continue negotiating with the United States in a peaceful manner, with the policy that we will compromise where there is room for compromise, but we do not compromise where there is no room." Asked for the primary reason for the break-up of the recent talks on government procurement, Sakakibara explains: "I am not in charge of the government procurement talks, but I have heard differing views on objective criteria were an important point in the recent negotiations." Answering how trade sanctions would affect Japan if they are actually imposed, Sakakibara says: "The number of cases where the United States actually resorted to sanctions in the past 10 or so years is, I believe, seven or eight. In each case, Japan-U.S. relations remained good despite the sanctions." He stresses that a threat of sanctions is one of the techniques of trade negotiations. Sonoda also notes: "Our basic stand remains unchanged, framework trade talks should be brought to a successful conclusion as early as possible. But we should not try to hastily reach an agreement merely to avert sanctions."

Kuroiwa next asks Sakakibara what he thinks of the criticism that the government procurement talks ruptured because bureaucrats took the initiative in negotiations with Washington. Stressing that bureaucrats and politicians are working in closer cooperation in dealing with the trade talks with the United States, Sakakibara says: "It is theoretically impossible for bureaucrats to act in their own way in dealing with domestic and foreign issues in defiance of the prime minister's and other cabinet members' opinion." Sonoda basically agrees with Sakakibara, noting it is unthinkable that bureaucrats would act independently in the trade talks. Takemura also agrees, but says the problem is that politicians tend to accept bureaucrats' opinions. After noting that the United States expects Japan to implement various reforms, including structural reform of the economy, Sonoda says: "If there should be a case of politicians and bureaucrats confronting each other, it will happen when politicians try to implement structural reform. In such a case, we will persuade bureaucrats by all means to agree to structural reform."

Next, they begin to discuss what Japan-U.S. relations should be like in the future. Sakakibara says the Japan-U.S. security pact and the new conservatism calling for introducing U.S. capitalism into Japan, which he says is advocated mainly by opposition parties, are two important matters politicians should consider when viewing relations with the United States. He says: "I agree that relations with the United States is the cornerstone of Japanese foreign policy. What I would like to ask is how Japan should deal with U.S. criticism that Japan is getting a free ride in the Japan-U.S. security pact." He then notes the need for heated debate on whether or not the current relationship based on the security pact should be maintained. Meanwhile, Sonoda says: "In promoting relations, both Japan and the United States have to think what the two countries should do to contribute to the world. In this sense, the alliance of Japan and the United States is apparently different in nature from that during the era of confrontation between the East and West." Takemura also then discusses importance of maintaining good relations with the United States, while Nishibe notes the need for Japan to keep Europe in mind to keep the nation from tilting too much toward the United States and Asia. Sakakibara agrees with Nishibe, saying: "It is very important for the Japanese people to know more about Europe. The United States and Asia are not the only countries in the world." Sonoda echoes the others, saying: "It is true that giving too much importance to Japan-U.S. relations is no longer desirable. It is also true that promoting relations among only Asian countries is a dangerous idea."

U.S. Demand Aimed at Breaking Off Talks

OW0608190594 Tokyo YOMIURI SHIMBUN in Japanese 6 Aug 94 Morning Edition p 6

[Text] On 5 August, a government source said the United States had urged Japan to "achieve considerable expansion of foreign product procurement in the next year" in the latest Japan-U.S. economic framework talks on government procurement. It appears the United States intentionally made the more severe demand to break off the negotiations with Japan. That is probably because U.S. negotiators think they can gain an advantage over Japan in the negotiations when using economic sanctions under the 1988 Trade Omnibus Act as a bargaining chip.

Japanese negotiators reacted strongly to the U.S. demand, saying "the gap between the two nations was widened by the demand." While the bilateral framework talks will resume in early September, they are likely to face rough going.

In previous negotiations, the United States has been urging the Japanese Government's commitment to "considerable expansion of foreign product procurement" as an objective criteria to measure the openness of the Japanese market. To judge if considerable expansion is achieved, the United States proposed to examine 1) the total amount of foreign product procurement; 2) the growth rates of foreign product procurement; 3) foreign-made products' share in Japanese Government procurement; and 4) the scale of the entire budget for government procurement.

It is believed that, for the United States, "considerable expansion" means the growth of foreign product procurement by 10 to 20 percent annually.

Signing of ACSA Between Japan, U.S. Viewed

OW0508132094 Tokyo YOMIURI SHIMBUN in Japanese 30 Jul 94 Morning Edition p 17

[By Hidemichi Katsumata, member of YOMIURI SHIMBUN local news section]

[Text] The U.S. Government will make an official proposal as early as the beginning of August to conclude an "agreement on commodity service and accommodation" (ACSA), which will be applied only in peacetime, between Japan and the United States. This summer, the Japanese Government, with the Defense Agency [DA] as a central figure, will start the final discussions aimed at implementing the agreement in fiscal 1995. However, there are many problems that need to be discussed before the agreement's application.

The ACSA is a government-to-government agreement that calls for mutual accommodation of goods and services such as fuel, transportation, and equipment when the United States holds joint military exercises with its allies, including NATO members.

The special feature of the proposal—which the United States will submit on the basis of discussions between the DA, the Joint Staff Council, and the headquarters of the U.S. Forces in Japan [USFJ]—is that the agreement will be applied only in peacetime.

Fuel supply and transportation support to U.S. forces when the United States was involved in armed conflict has been an obstacle to signing the ACSA agreement because such activities constitute enforcement of collective security rights. Therefore, emergency cases and armed conflicts in Japan's neighboring countries are not included in a draft of the ACSA agreement.

Regarding a case in which the United States is involved in an armed conflict in an area far from Japan, including Europe or the Middle East, like the Gulf War, the draft accord simply says that "attention is paid to the descriptions."

The DA's intraministerial bureau will be entrusted with the task of conducting the final study to determine whether such cases [conflicts in areas far from Japan] will be included in "peacetime." Regarding North Korea's suspected nuclear arms issue, however, it is necessary to clarify how we should interpret "peacetime" or how Japan should respond when the United States asks for Japan's logistics support, including refueling of U.S. warships, during a naval blockade.

In this sense, it is worthwhile to listen to opinions of senior officials of the Ground Self-Defense Force [SDF], who pointed out: "Each unit should be allowed to make decisions regarding military support during ordinary educational training. For other matters, the government should make decisions. How about introducing a two-step system for ACSA approval?"

Regarding maintenance support [seibi shien] during training, one of the difficult points is to decide on how we should treat accommodated parts. "When equipment breaks down and we do not have parts needed for its repair, it will be very helpful if the U.S. military can temporarily accommodate us with the parts we need," (according to Chiaki Hayashizaki, chief of staff of the Maritime SDF).

On the contrary, the government approves granting arms and technology to the United States in case a repair of a U.S. warship is needed. However, it is possible that accommodation of repair parts may be interpreted as arms export. Therefore, it is necessary to study the possibility of setting restrictions on types of parts that can be accommodated.

Because of the Commodities Control Law, provision of national assets for other countries cannot be done freely in Japan. Therefore, the United States was strongly dissatisfied with the fact that Japan could not give accommodation to the U.S. military during training although they were a part of U.S. efforts to defend Japan.

Because of this, the Maritime SDF, by taking advantage of RimPac, issued a vice ministerial notice regarding fuel supply to U.S. warships only during naval exercises. About 2,800 kiloliters of fuel was supplied to 15 warships in 1991. Japan supplied about 4,900 kiloliters of fuel to 20 warships in 1992. Moreover, the Ground SDF transported food and other goods to training areas during joint exercises with the U.S. Marines and the USFJ. But there was no legal backing for these actions at all.

A senior Ground SDF official explained: "Training and our support to the U.S. Military will remain the same as before even after signing the ACSA. But it is of great significance that we will be able to provide support to the U.S. Military under a contract." A senior Air Ground SDF official also said: "Although we could lend fuel to the U.S. Military during Japan-U.S. joint training exercises, we were unable to help them fuel their aircraft because it would become an offering of services if we tried to help them. Finally, we will be able to form an equal relationship with the United States." In this way, some people are anxiously waiting for the signing of the ACSA agreement.

At a recent Diet meeting, Prime Minister Tomiichi Murayama, who is chairman of the Social Democratic Party of Japan, admitted that the SDF was constitutional and that he would firmly maintain the Japan-U.S. security system. Since we can no longer find major obstacles to signing the ACSA agreement, we hope open discussions will be promoted regarding interpretation of "peacetime" and other matters.

Top Official Comments on Issue of UNSC Seat

OW0708231994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Aug 94 Morning Edition p 2

[Text] On 5 August, a top Foreign Ministry official commented on a prospectus drawn up by a "panel to study the issue of gaining a permanent seat in the UN Security Council [UNSC]" that advocates suppressing bureaucracy-initiated, unilateral moves toward Japan's bid for permanent membership in the UNSC. The panel was set up the same day by lawmakers from the Liberal Democratic Party, the Social Democratic Party of Japan, and the Sakigake [Harbinger Party]. The official indicated that politicians will take the initiative in conducting thorough debates on the issue, saying: "There can never be any bureaucracy-led, unilateral moves."

In this connection, Foreign Ministry Spokesman Terusuke Terada stated at a news conference held the same day: "It is a matter of course to conduct thorough debates and gain the understanding of the people. It is also a fundamental Japanese stance to gain support from Asian nations and other countries concerned." In this way, Terada stressed that the Ministry of Foreign Affairs and the "study panel" share the same basic understanding on the issue. He also indicated there now are plans to explain the need for Japan to become a permanent member of the UNSC, citing concrete examples in the process.

In some quarters of the ruling coalition parties, there are views that military obligations will accompany permanent membership in the UNSC. In this regard, Terada said: "There are no such obligations (specified in the UN Charter). It is necessary to resolve such misunderstandings."

Resumption of DPRK Talks Reportedly Planned

OW0708130494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Aug 94 Morning Edition p 2

[Text] With the United States and North Korea resuming their previously suspended high-level talks, the government has firmed up basic plans for resuming the Japan-North Korea normalization talks that have remained stalled since November 1992. The government is of the opinion that North Korea will move toward breaking the deadlock in Japan-North Korea relations once the U.S.-North Korea high-level talks open the prospect of clearing up suspicions about North Korea's nuclear development. The government plans to watch how North Korea moves in the future. The Japan-North Korea normalization talks broke up in November 1992 over the issue of Yi Un-hae, a Japanese woman who was allegedly kidnapped to North Korea and to teach the Japanese language to Kim Hyun-hi who was sentenced to death in South Korea for blowing up a South Korean airliner. The government plans to deal flexibly with the normalization talks by proposing to North Korea that the issue of Yi Un-hae be discussed at separate talks. The government also plans not to condition the solution of the Yi Un-hae issue on normalizing relations between Japan and North Korea. The government is poised to urge North Korea to resume the stalled normalization talks with Japan through various channels while watching progress in the U.S.-North Korea high-level talks.

At the 8th round of the normalization talks in November 1992, the North Korean side unilaterally broke off the talks after complaining about the Yi-Un-hae issue, which the Japanese side had raised at the talks. In October 1993 the government tried in vain to contact North Korean officials at the North Korean Mission to the United Nations. As a result, the two countries have had no official contacts since November 1992 when the normalization talks were broken off. Nonetheless, Japan and North Korea have maintained an unofficial channel for dialogue through pro-DPRK Koreans residing in Japan.

The government has concluded that: 1) North Korea intends to resolve the nuclear issue through talks with the United States and even if the Japan-North Korea normalization talks resume, it would be difficult for the talks to produce any headway in resolving the nuclear issue, and 2) North Korea will have an interest in resuming the stalled normalization talks with Japan only when it looks to economic cooperation with Japan after the U.S.-North Korea high-level talks go smoothly. The government, which is hoping for a settlement of the nuclear issue, believes that it needs to watch for the time being how the U.S.-North Korea high-level talks will go.

There is criticism within the ruling Liberal Democratic Party and the Social Democratic Party of Japan that the government's effort to resume the stalled normalization talks is inadequate. The government, however, takes a "wait-and-see attitude," claiming that "progress in the U.S.-North Korea high-level talks holds the key to resuming the stalled normalization talks," (according to a top Foreign Ministry official). The government plans to cautiously discover when North Korea begins to have an interest in relations with Japan.

The government once planned to move toward resuming the stalled normalization talks if the first-ever inter-Korean summit made headway. Now that the inter-Korean summit has been postponed indefinitely, Prime Minister Murayama expressed his intention to deal with the question of resuming the stalled normalization talks with North Korea while closely consulting with South Korea when he recently visited Seoul.

The Yi Un-hae issue was discussed at working-level talks before the Japan-North Korea normalization talks were broken off. The government sees "the Yi Un-hae issue as an issue that cannot be shelved in Japan-North Korea relations," (according to a Foreign Ministry source). The government, however, intends to deal flexibly with the

Yi Un-hae issue if North Korea goes along with Japan's request for discussing the issue at separate talks and on a separate schedule.

Unlike the nuclear issue, the government does not consider the Yi Un-hae issue to be a "prerequisite for normalizing relations between Japan and North Korea," (according to the same Foreign Ministry source). The government is of the opinion that opening a diplomatic channel between Japan and North Korea through the normalization of their relations will serve to protect and improve the treatment of the Japanese wives of Koreans who reside in North Korea.

Tokyo May Cooperate With DPRK in Agriculture

OW0808125194 Tokyo SANKEI SHIMBUN in Japanese 7 Aug 94 Morning Edition p 1

[Text] With the United States and North Korea resuming their stalled high-level talks to discuss the issue of North Korea's suspected development of nuclear weapons, the Foreign Ministry decided on 6 August to study ways to promote cooperation with North Korea in the agriculture area in a bid to urge that country to join the international community, prevent that country from further isolating itself from the international community, and provide lateral support for the U.S.-DPRK high-level talks. The idea is surfacing within the Foreign Ministry of inviting North Koreans to participate in international seminars, including one on the improvement or rice strains, that are held under the auspices of Japan and promoting environmental and cultural exchanges, except for the military area, between Japan and North Korea.

The Foreign Ministry decided to study ways to promote the Japan-North Korea cooperation in the agricultural area with the aim of 1) making a vigorous effort to make North Koreans understand that the international community does not want to isolate North Korea and wants North Korea to clear up suspicions about its development of nuclear weapons through personnel exchanges in such international seminars and 2) collecting information on North Korea's domestic situation, which is to be used as material to grope for ways to deal with North Korea.

The U.S.-DPRK high-level talks, the sole channel for talks with North Korea at the moment, are expected to be facing rough sailing over the issue of handling nuclear fuel rods. The Foreign Ministry aims to provide support for the U.S.-DPRK high-level talks by "vigorously urging North Korea to listen to the international community" (according to a Foreign Ministry source).

Japan sounded out North Korea about resuming the stalled Japan- DPRK normalization talks through a diplomatic source in Beijing before President Kim Il-song's death. The Foreign Ministry expects the Japan-DPRK cooperation in the agricultural area to "provide momentum for resuming the stalled talks."

If the U.S.-DPRK high-level talks are stalled, the Japan-DPRK cooperation in the agricultural area would not generate the intended effect. Therefore, the Foreign Ministry plans to watch how the U.S.-DPRK high-level talks will go. It will take some time for the Foreign Ministry to initiate the Japan-DPRK cooperation in the agricultural area.

Joint Venture Projects To Begin in PRC

Nissho Iwai To Participate

OW0808021394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Aug 94 Morning Edition p 5

[Text] Nissho Iwai Corporation is to participate in a project to exploit oil in the Tarim Basin in China. It will invest in the development of a mining area in the basin, which will be carried out jointly by five Japanese, U.S., and European companies, including Japan Energy, Japan Petroleum Exploitation [JPE], and major Italian oil companies such as AGIP [Italian National Oil Company]. Nissho Iwai will have a 10-percent capital stake in a subsidiary established by JPE for the Tarim project. The contribution accounts for about 1 percent of the capital invested by the consortium members.

The mining area to be developed by the consortium is located in the south of the basin. The project was awarded to the five-company Japan-U.S.-Europe consortium in the first international tender held last October. In February, the consortium concluded a production allocation contract with China. Oil deposits in the field are estimated at approximately 400 million barrels. The field is the most promising of four mining areas subject to tender. The consortium plans to complete prospecting work in four years and then begin exploiting.

Other consortia operating mining fields in the basin include one composed of such companies as the U.S. Exxon Corporation and Sumitomo Corporation and one composed of British Petroleum, Nippon Oil, Itochu Corporation, and other firms. Nissho Iwai plans to continue its energy business, including the supply of liquid petroleum gas (LPG) and gasoline, in China.

Industry To Provide Refining Technology

OW0808073094 Tokyo KYODO in English 0716 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—Japan's petroleum industry will provide oil-refining technology to China with an eye toward tapping the rapidly growing petroleum market in the country, industry sources said Monday.

The Petroleum Association of Japan, a group of oil refiners and distributors, will send a trade mission to China in the middle of October, and is expected to sign a technological cooperation pact with the country, the sources said.

The pact may be a first step toward launching a Japan-China joint oil-refining venture in the future in which petroleum products at Chinese refineries will be shipped to Japan, they said.

As of 1992, China had about 100 oil refineries, many of them located in inland areas near oil fields. These refineries had a combined daily refining capacity of 3.2 million barrels, according to Japanese industry estimates.

Oil demand in the country, however, has been growing sharply, expected to reach levels equivalent to 4.3 million barrels a day by 2010, the International Energy Agency (IEA) says. The sum is roughly equal to the amount of oil refined a day in Japan.

China was previously a net exporter of crude oil. But the rapid economic development, especially the huge increase in automobile use, has pushed up demand, causing a supply shortage of crude oil, Japanese oil industry sources said.

Recently, China has boosted its oil imports from the Middle East but the oil it buys contains a large proportion of sulfur, combustion of which causes pollution like acid rain, according to the sources.

Technology to be furnished by the Japanese trade mission will focus on desulfurization equipment, the sources said.

The mission will comprise about 40 top officials from major oil distributors such as Nippon Oil Co. and Idemitsu Kosan Co., the sources said.

The Chinese side will also send a mission to Japan, possibly at the beginning of next year, to work out details of the proposed technological cooperation.

The world's major oil companies have already sounded out China on possible oil refining projects, the sources said.

Matsushita To Build Welding Machines in PRC

OW0808104894 Tokyo KYODO in English 0951 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—Matsushita Electric Industrial Co. announced Monday it will set up a joint venture in September in China to build welding machines.

Tangshan Matsushita Industrial Equipment Co. will be held 60 percent by the Matsushita group and the rest by a Chinese concern.

The company, capitalized at 8 billion yen, will be set up in Tangshan, Hebei Province, and production will begin next March. The firm aims to make 20,000 units by the fifth year of operation.

Matsushita said about 20 percent of the goods will be exported to Southeast Asia, Europe and the United States.

It estimated the market in China in fiscal 1992 was around 12 billion yen and projected it will grow 5-8 percent a year.

Tokyo To Help ROK, Taipei Join Trade Body

OW0808082694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Aug 94 Morning Edition p 5

[Text] South Korea and Taiwan have notified the Japanese Government of their wish to join the "Trade Control Organization" planned for launch in October as a replacement of the Coordinating Committee for Exports to the Communist Area (COCOM), which was dissolved in March. The Japanese Government intends to support their participation as it thinks they will contribute to preventing the spread of arms and strategic materials in the Asian region.

The new trade control system, which is coming into being following the dissolution of the Western industrial nations-led COCOM, will be one of wider scope with Asia included. The Ministry of International Trade and Industry [MITI] and other offices think the system will more effectively help prevent the outflow of strategic materials to conflict-involved countries.

COCOM served its purpose upon the termination of the East-West Cold War in the wake of the collapse of the Soviet Union, and ended its 45-year-long existence at the end of March. The countries that took part in COCOM are now proceeding to inaugurate a new organization. Former COCOM members like Japan, the United States, and the European Union (EU), and six other nations like Austria and Switzerland, plus Russia have already decided to join it.

South Korea and Taiwan, thanks to their industrial development, has come to possess capabilities to supply materials that can be used in production of arms. As a result, these countries are taking actions to improve their trade control systems, and are getting prepared to participate in international frameworks for such control. South Korea is also seeking to join the OECD, which is a club of industrial nations, and thus wants to be on a par with industrial nations with respect to the trade control as well.

Japan has been rendering support to efforts to form trade control systems within Asia, by holding, for instance, a seminar on trade control for Asian countries and regions last October. It plans to support South Korea and Taiwan joining the new organization, and to call on other nations to participate in it.

A working group meeting on formation of the new organization to be held in September is due to take up the question of new participation, and Japan will announce its support for participation by South Korea and Taiwan. Such East European countries as Hungary, the Czech Republic, Slovakia, and Poland have expressed a desire to join, with the EU supporting their participation. Japan wants to help South Korea and Taiwan join as early as possible once the new organization is inaugurated.

Study on Asian Information Initiative To Begin

OW0808092294 Tokyo KYODO in English 0858 GMT 8 Aug 94

[Text] Tokyo, Aug. 8 KYODO—Japan will launch a study on a potential information network in Asia, as well as the region's role in the future information web, around the globe, Ministry of Posts and Telecommunications officials said Monday.

The Telecommunications Council, an advisory panel to the posts minister, will begin scrutinizing the issue in September, aiming to draw some conclusion by the fall of next year.

The study will focus on organizing information systems in countries such as South Korea, Thailand and Singapore, the officials told KYODO NEWS SERVICE.

After grasping respective policies on the subject by each nation, the panel will then try to identify how each country can take part in a future global information network and through what kind of media.

It will also draft a schedule to organize regional information systems and to look into cost aspects.

The Group of Seven (G-7) leading industrialized nations is planning to hold a cabinet-level meeting in Brussels to discuss the global version at the end of this year.

The United States proposed in March a global information superhighway plan that connects countries with satellites and fiber-optic lines but no concrete plans have so far been made.

In May, the telecom panel compiled a report on a potential domestic next-generation information network. Officials said this time, the team will study the problem from global perspectives, focusing on Asia.

North Korea

Delegation Head: Talks With U.S. 'Useful'

SK0608103694 Pyongyang KCNA in English 1027 GMT 6 Aug 94

["Third-Round DPRK-U.S. Talks Resumed"—KCNA headline]

[Text] Pyongyang, August 6 (KCNA)—The third round of talks between the Democratic People's Republic of Korea and the United States of America was resumed in Geneva on August 5.

After the day's session, the heads of both delegations called press conferences separately.

First Vice-minister of Foreign Affairs Kang Sok-chu who is heading the DPRK delegation told the reporters that the sides clarified their positions toward the solution to the nuclear issue and discussed detailed problems concerning ways of their implementation at the eight-hour long sincere talks.

He further said:

"The talks were very useful and practical.

"At the talks many working matters for the solution to the nuclear issue in the Korean peninsula were raised and the sides agreed to further study the other's proposal. So, the sides agreed to meet again on August 8 after two days of recess.

"The talks on the 8th will be held at the DPRK mission in Geneva."

Answering questions put by reporters, Kang Sok-chu said:

"The sides were divided over some points, though they found common languages, too, during the discussion because the nuclear issue in the Korean peninsula itself is complicated. So, I am not in a position to tell you about the detailed content of the talks at present."

Assistant State Secretary Robert Gallucci who is heading the U.S. delegation told the press conference that the sides exchanged comprehensive views on matters of common concern including the outstanding issues at the talks which lasted many hours.

He said the sides agreed to meet again on August 8 after studying the other side's proposal and contacting with their home governments.

Answering questions put by reporters, he said the introduction of a light water reactor had been discussed from July last year and it was discussed in a concrete way at the talks this time.

He declined to give details about the commonness and differences manifested at the talks because the talks would continue.

Results of 5 Aug Talks With U.S. Reported

SK0608070094 Pyongyang Korean Central Broadcasting Network in Korean 0604 GMT 6 Aug 94

[Text] The third round of DPRK-U.S. talks resumed in Geneva on 5 August. Following the talks, the heads of both delegations held separate news conferences.

First Vice Foreign Minister Kang Sok-chu, head of the DPRK delegation, stated as follows during his news conference: Today, through sincere talks held for eight hours, both sides revealed each other's positions in connection with resolving the nuclear issue, and discussed in detail ways to implement their positions.

Today's talks were very beneficial [yuikhago] and practical [silmujogin]. Since many practical issues [silmujok munje] were presented, all of which were necessary to resolve the nuclear issue on the Korean peninsula, it was decided to further study and examine each other's proposals. Therefore, both sides agreed to adjourn the talks for two days, and hold them again on 8 August. The 8 August talks will be held at the DPRK mission in Geneva.

While answering reporters' questions, First Vice Foreign Minister Kang Sok-chu said that since the nuclear issue on the Korean peninsula is complicated, there were common points as well as differences of opinion during the discussions, but as of now the concrete content of the talks cannot be revealed.

In his news conference, Assistant Secretary of State Robert Gallucci, head of the U.S. delegation, stated that during the talks comprehensive opinions were exchanged regarding issues of mutual interest, including pending issues. He added that it was decided the talks would be held again on 8 August after both sides studied and examined each other's proposals and contacted their own countries.

While answering reporters' questions, Gallucci said the issue of introducing a light water reactor had been discussed since July 1993, and was again discussed in detail during the talks. He added that he will not offer concrete remarks concerning the common points and differences that emerged during the talks under the condition that the talks continue.

'Bombing' Exercises Said 'Hurdle' to U.S. Talks

SK0808045794 Pyongyang KCNA in English 0449 GMT 8 Aug 94

[Text] Pyongyang, August 8 (KCNA)—The U.S. imperialists on August 5 staged an exercise of combined intensive bombing on strategic targets in the northern half of Korea in the skies above Kongju and Oeyon Islet of South Korea with the mobilization of formations of overseas-based pursuit-assault planes and more than 200 fighter planes of the U.S. Seventh Air Force and the puppet airforce after creating electronic jamming, according to military sources.

Earlier, on August 4, fighter-planes of the U.S. Navy and Air Force deployed in the Pacific and the U.S. Air Force present in South Korea staged for hours a war game aimed at striking air targets of the DPRK and seizing air supremacy under the command of an "E-3" air commanding plane with the sky above the West Sea off the Sosan peninsula [Yellow Sea] as the operational theatre.

All these war provocations against the DPRK are part of premeditated moves of the U.S. imperialist warlikers to lay an artificial hurdle in the way of the DPRK-U.S. talks.

ROK Reportedly Deploys Heavy Weapons in DMZ

SK0608044294 Pyongyang KCNA in English 0429 GMT 6 Aug 94

["South Korean Puppets Deploy Heavy Weapons in DMZ"—KCNA headline]

[Text] Pyongyang, August 6 (KCNA)—The South Korean puppets Wednesday [3 August] brought 90mm recoilless guns and 12.7mm large-calibre machine guns into the Demilitarized Zone [DMZ] east of Sakyong-ri, Chorwon County, and leveled them at our people's army soldiers and Thursday introduced vehicles carrying a large number of armed bandits and war materiel into the DMZ east of Yimgang-ri, Changpung County, according to military sources.

The frantic acts of military provocation of the South Korean puppets that are getting all the more undisguised are deliberate and premeditated moves designed to incite mistrust and consciousness of confrontation between the North and the South.

The South Korean puppets must immediately take all the illegally introduced heavy weapons out of the DMZ.

'Deliberate Provocation Maneuvers'

SK0508150594 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 5 Aug 94

[Commentary by Yun Pyong-son: "Deliberate Provocation Maneuvers"]

[Text] The South Korean puppets are continually committing military provocations against us in the Demilitarized Zone [DMZ].

As has been reported, the South Korean bellicose elements on 2 August deployed in broad daylight 90-mm recoilless guns at the military police guardpost in the DMZ adjacent to Komsa-ri, Chorwon County, and seriously threatened us, taking a position of aiming and firing at the soldiers at the guardpost on the other side—in our side area.

Soon after that, more than 20 bandits, who were squatting down at the military police guardpost there, suddenly took a combat position armed with large-caliber machine guns and automatic weapons and incited the atmosphere of war, intensively aiming at the guardpost on our side.

This reckless military provocative act gravely threatened the personal security of the soldiers of our side who were carrying out normal security duty.

On 1 and 2 August, 100 and scores of bandits armed with automatic weapons and machine guns took positions in the South side's DMZ near Mt. Wolbi in Kosong County, Mt. Sobang in Pyonggang County, and Kwijon-ri in Changpung County and got off into war hysterics, trooping wildly in this area.

The puppets also brought six military vehicles carrying armed bandits and ammunition boxes into the South side's DMZ from Upnae- ri, Kimhwa County in South Korean Kangwon Province, and brought military vehicles carrying boxes of shells and ammunition into the DMZ adjacent to Chawon-ri, Pyonggang County.

The armed bandits, whom the South Korean bellicose elements brought illegally into the DMZ for two days on 1 and 2 August, numbered more than 1,000 and vehicles of various types totalled more than 660. These military provocations should not be regarded as ordinary.

As everyone knows, no automatic weapons are allowed to be brought into the DMZ along the Military Demarcation Line [MDL], neither are any armed personnel. Moreover, the North and the South agreed to hold North-South top level talks and not to tarnish the atmosphere for dialogue. However, the South Korean ruling bunch, speaking sweet things sitting face to face with us, were scheming something else leaving the site of the meeting with us.

The South Korean ruling bunch politically abused the unfortunate event of the nation. Wishing some development to take place in the North, they issued a special alert order to the puppet armed forces, kicking up a row.

They are viciously stepping up suppression of the reunification and patriotic figures in South Korea in an unprecedented manner these days, further intensifying anticommunist education for the school boys and girls and residents. Cars with destroy-communism signboards run here and there on Seoul streets in broad daylight, inspiring destroy-communism and security consciousness with loudspeakers.

This is aimed at inspiring confrontation consciousness to the South Korean people and driving them to the maneuvers of war of northward invasion. The Kim Yong-sam puppet clique is scheming to provoke a war of northward invasion. That the South Korean warmongers inspired war atmosphere by illegally and continually bringing war equipment and armed bandits into the DMZ along the MDL where the armed forces of the two sides confront tensely is an open and clear expression of war maneuvers. It is also an intentional and deliberate act aimed at leading the North-South confrontation to an acute phase.

Facts show the entire world that the Kim Yong-sam ring does not have any will to improve North-South relations through dialogue or any will to achieve peaceful reunification, but has only the ambition for a war of northward invasion.

As clouds often appearing lead to rain, so the frequent military provocations will lead to war. North-South confrontation cannot solve problems. This is a serious lesson taught by the history of division, which lasted for nearly 50 years.

All the fellow countrymen in the North and the South consistently wish the reunification of the country to be achieved peacefully through reconciliation and unity rather than confrontation. The anachronistic confrontation policy of the South Korean puppets will only accelerate their destruction. The people will never forgive the Kim Yong-sam ring for its criminal maneuvers scheming to provoke a war of northward invasion, turning away from their aspiration for peaceful reunification.

The South Korean puppets should be correctly aware of us who are upholding Supreme Commander General Kim Chong-il, the greatest of great men and general of generals, and should not run wild recklessly like a puppy daring to wag its tail before a tiger.

Seoul Denounced for Refusing Rally Contact

SK0608050594 Pyongyang KCNA in English 0448 GMT 6 Aug 94

["Treacherous Act Barring National Unity"—KCNA headline]

[Text] Pyongyang, August 6 (KCNA)—The South Korean rulers on August 4 flatly refused the application of the South side headquarters for the promotion of the pan-national rally for a contact with the North side's delegates in a third country for the opening of the fifth pan-national rally, a Seoul-based radio reported.

It is too natural that the South side promotion headquarters wants to meet North side's delegates to discuss a series of working matters for the opening of the fifth pan-national rally.

It is self-evident that if the pan-national rally is held successfully, an ephocal phase will be opened in creating an atmosphere of national unity and reconciliation and achieving peace of the country and its peaceful reunification.

The South Korean rulers, however, let out the balderdash that the pan-national rally "is a political function outside the pure civilian reunification movement" and "is not helpful to a practical improvement of the North-South relations". This is a far-fetched argument to block the pan-national rally at any cost.

Facts clearly prove once again that the Kim Yong-sam group is a band of never-to-be-condoned traitors against the nation, reunification and dialogue, who do not have the least intention to seek reconciliation and dialogue between fellow countrymen for the reunification of the country but pursue only division and confrontation, bringing the situation on the Korean peninsula to a phase of crisis, and depraved human rubbish ignorant of elementary etiquette and morality.

The only way of dealing with the traitors is to overthrow them.

The Kim Yong-sam group will certainly face a stern punishment by the people through a trial by history for its heinous crimes against the nation.

ROK 'Traitor Clique' Accused

SK0608043394 Pyongyang KCNA in English 0427 GMT 6 Aug 94

["South Korean Traitor Clique Turns Down Application for Contact With North"—KCNA headline]

[Text] Pyongyang, August 6 (KCNA)—The South Korean traitor clique Thursday [4 August] turned down the application of the South side headquarters for the promotion of the pan-national rally for a contact with the delegates of the North side in a third country for the holding of the fifth pan-national rally, according to a radio report from Seoul.

The South side headquarters for the promotion of the pan-national rally decided to have a tripartite working-level talks among delegates from the North, South and overseas Friday for a discussion of working matters for the successful opening of the pan-national rally according to the agreement on the holding of the fifth pan- national rally in Pyongyang, Seoul and Tokyo respectively by compatriots in the North, South and overseas on the occasion of August 15 this year, "a year of great national unity," reflecting the ardent desire of the fellow countrymen for reunification.

The fascist clique, however, refused to allow the contact, charging that the pan-national rally is "a political function" outside the civilian reunification movement.

ROK Denounced on 'Human Chain Relay' Issue

SK0808111394 Pyongyang KCNA in English 1103 GMT 8 Aug 94

[Text] Pyongyang, August 8 (KCNA)—The spokesman for the Korean Religionists Council released a statement on August 8 denouncing the Kim Yong-sam group for not permitting "the 94 North- South human chain relay for peace and reunification" proposed by South Korean religious organizations under the unreasonable pretexts that it would "create a social confusion" and "paralyse traffic."

The statement bitterly denounced their act as an open mockery of the nation's desire for reunification and a vicious challenge to the believers who regard reconciliation and unity as their basic idea.

The statement noted:

After accepting the offer of "the South side headquarters of the North-South human chain relay" to cosponsor it, the Korean Religionists Council courteously proposed the discussion of practical matters at the Thongil House in the portion of the North side at Panmunjom on August 5. But, the South Korean authorities blocked even the working contact and made the cosponsorship of the human chain relay abortive.

Expressing resentment at this, the statement further said: The Kim Yong-sam group brutally suppressed students and people of various strata who were expressing condolences over the death of President Kim Il-song and disapproved the human chain relay of believers motivated by the patriotic desire for reunification. By so doing, it fully revealed its ugly color as fellows inferior to beasts and showed that "reconciliation" and "unification" on its lips are nothing but hypocrisy.

With any bayonet, however, it can never block the will of the believers in the North and the South who want national reconciliation and reunification. The South Korean authorities must clearly see the trend of the time and discard their old concept of confrontation.

The statement expressed the hope that the South Korean religionists will smash "the new security-oriented rule" of the fascist clique wearing "the civilian" veil and struggle more staunchly for reunification and patriotism.

ROK's DLP 'Defeat' in By-Elections Noted

SK0608071494 Pyongyang KCNA in English 0458 GMT 6 Aug 94

[Text] Pyongyang, August 6 (KCNA)—"Parliamentary by- elections" were recently held in three districts of South Korea. According to the results, the candidate of the New Democratic Party was elected in Susong-a District, Taegu, the candidate of the Democratic Party in Kyongju and the candidate of the "Democratic Liberal Party" [DLP] was narrowly "elected" in the Nyongwol-Phyongchang "constituency".

A NODONG SINMUN analyst today says:

This is a miserable defeat of the "Democratic Liberal Party" and a big victory for the opposition parties. The ruling "DLP" had aimed at three wins, and two wins and one defeat in the worst case.

Ridiculous is the behaviour of the defeated "DLP".

The "DLP" clan, while admitting their defeat, contend that the defeat was caused by their "fair play in the elections".

The "DLP", as it had done in the past, practised injustices, launching a "canvassing" and scattering a large amount of money in violation of the "law" to have its "candidates" elected.

It is nonsense to claim that the "DLP" took the lead in "fair elections" and was defeated owing to this.

If the "DLP" was defeated in the "elections" due to their "fairness," does it not mean that the "DLP" was tried by the people and lost the justification to stay in power?

The defeat of the "DLP" was a due result.

If the South Korean authorities have the least reason, they should choose to step down from power, instead of making a poor excuse.

Group Denouncing 'Traitor Kim Yong-sam' Cited

SK0808103994 Pyongyang KCNA in English 1024 GMT 8 Aug 94

["Anti-Ethical Crime of Kim Yong-sam Group Denounced"—KCNA headline]

[Text] Pyongyang, August 8 (KCNA)—Yu Chang-hwan, chairman of the Chinese regional headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaknyon), in a statement July 30 branded the rash act of the Kim Yong-sam group in suppressing at the point of the bayonet functions of South Korean people of various strata and students mourning the death of the great leader President Kim Il-song as an insult to the nation and a crime never to be condoned.

"It is a shame to the nation that such an ignoramus as the traitor Kim Yong-sam holds power and waxes eloquent about the 'nation' and 'unification'", Yu said:

"If national reconciliation and reunification is to be achieved at an early date, it is imperative to remove, first of all, the Kim Yong-sam group, the human rubbish who cannot look an inch ahead and are bereft of human ethics and morality," he stressed.

Crackdown on 'Patriotic Students' Denounced

SK0608052994 Pyongyang KCNA in English 0453 GMT 6 Aug 94

[Text] Pyongyang, August 6 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland Friday [5 August] released its Information No. 654 denouncing the Kim Yong-sam group for suppressing the patriotic students by using even pseudo-educators.

Noting that the Kim Yong-sam group is resorting to every conceivable means in its political and ideological suppression of the patriotic students and people who follow the chuche idea, the information says: "It clearly shows their glaring treacherous and fascist nature."

"The notorious dictators of the 'fifth and sixth republics' suppressed the adherents of the chuche idea and patriotic students in South Korea, but they did not bribe 'high-class educational officials' as henchmen in suppressing students as the Kim Yong-sam group does," the information notes, and goes on:

"It is entirely just that the patriotic students and people follow the chuche idea, the torchlight of national independence and the banner for hewing their destiny in South Korea where national dignity and sovereignty are totally violated and obliterated by foreign domination and interference. This is an expression of true patriotism.

"The South Korean rulers should give up the foolish attempt to break with the bayonet and intrigue the faith and will of the patriotic students to pave the way of independence, democracy and reunification under the rays of the great chuche idea and immediately stop the unjustifiable suppression of them.

"If the Kim Yong-sam group incite antagonism between fellow countrymen and hinder national unity and reunification, continuously suppressing the just activities of students, linking them with the North in a far-fetched manner, it will only precipitate its own destruction."

Allegations by South Korean Professor Denied

SK0508112894 Pyongyang KCNA in English 1103 GMT 5 Aug 94

[Text] Pyongyang, August 5 (KCNA)—Pak Hong, president of Sogang University of South Korea, recently alleged that "the North is standing" behind the patriotic democratic forces including students of the chuche idea group, and he asked the fascist authorities to totally "root up" their "horrible organisation."

He, no doubt, acted on the script written by the rulers, comments NODONG SINMUN today.

The analyst says:

It is outrageous of Pak Hong to brand the South Korean Federation of General Student Councils and the democratic forces including the students of the chuche idea group as "pro-communist elements benefiting the enemy" for the mere reason that they studied and disseminated the chuche idea and deeply mourned the death of the leader of the nation. It is a false charge to attack guiltless people.

It is an inviolable right of the South Korean people, who are oppressed by outside forces and the traitor group, to study and grasp the chuche idea indicating the way of shaping their destiny and fight to build a new unified society, independent and democratic, following this idea.

Far from supporting and encouraging the patriotic students to follow the advanced idea guiding the time and mourn over the father of the nation, Pak Hong, in collusion with the fascist authorities, drove a dagger into the heart of the righteous-minded students. This can be done only by a sham educator and Philistine who has thrown away the conscience and honor of an educator.

It is a shame of history that such Philistines as Pak Hong who insults and tramples down the pure mind of passionate patriotic students loved by the nation remain in campus. That is why the South Korean students brand Pak Hong as an educator-veiled "watchdog of the Agency for National Security Planning (ANSP)" and "a fascist spy" and call for his immediate punishment.

The South Korean people will settle accounts with such Philistines as Pak Hong together with the Kim Yong-sam group for their crimes against the demand of the time and the trend of the nation.

Global Solidarity With People's Cause Viewed

SK0808104294 Pyongyang KCNA in English 1020 GMT 8 Aug 94

[Spelling of all names as received]

[Text] Pyongyang, August 8 (KCNA)—Voices expressing solidarity with the just cause of the Korean people are ringing out from different countries.

A meeting was held in New Delhi on July 26 under the cosponsorship of the All India Indo-Korean Friendship Association and the Indian Committee for Supporting Korean Reunification on the occasion of the 41st anniversary of the victory of the Korean people in the war.

In his report at the meeting Om Prakash Mantri, secretary general of the Asian Regional Committee to Support Korean Reunification, said the brilliant contribution and feat made by his excellency President Kim Il-song in leading the fatherland liberation war to a shining victory were the greatest ones in safeguarding peace with honor not only in the Korean peninsula but also in Asia and the world.

He said his excellency President Kim Il-song taught the peoples of the developing countries the truth that a country, however small it may be, can defeat any formidable enemy when it has a great leader and is led by a correct guiding idea and the people rise up in a righteous and patriotic struggle, aware of the validity of their cause.

Noting that the chief obstacle to Korean reunification is the U.S. occupation of South Korea, he urged the United States to immediately withdraw its troops and nuclear weapons from South Korea and sign a peace agreement with the Democratic People's Republic of Korea at an early date. S.S. Mohapatra, former general secretary of the Indian National Congress Party (I) and chairman of the Indian Diplomatic Club, said in his speech that the dear leader his excellency Kim Chong-il is successfully resolving the nuclear issue of the Korean peninsula. He declared that as he stands at the head of the Korean revolution, the future of Korea is bright.

Functions for solidarity with the Korean people took place in Vietnam, Tunisia, Portugal and Guyana on July 27 and 30.

General Secretary of the Congolese Communist Party Kamba Raymond in his July 27 statement warned that if the United States and its satellites try to get something through pressure and "sanctions" against the DPRK, they would suffer a miserable defeat incomparable to that they tasted in the Korean war.

Functions Marking Solidarity Held

SK0508221794 Pyongyang KCNA in English 1507 GMT 5 Aug 94

[Text] Pyongyang, August 5 (KCNA)—Functions were held in different countries in the June 25- July 27 period of international solidarity with the Korean people and on the 41st anniversary of the Korean people's victory in the fatherland liberation war, at which the participants confirmed continued support and encouragement to the Korean people's struggle of justice.

At a meeting cosponsored by the Cuban Committee for Supporting Korea's Reunification and the Cuban Institute of Friendship with the Peoples, Jesus Montane Oropesa, member of the C.C. [Central Committee], the Communist Party of Cuba and chairman of the Cuban Committee for Supporting Korea's Reunification, said the committee would continue to support the Korean people in the just struggle in the future, noting that the supreme national task of the Korean people at present is to achieve the reunification of the country.

Speaking at a meeting held in Mongolia, J. Tsevelmaa, vice- chairman of the Mongolia-Korea Friendship Association, said the Korean people under the wise leadership of the great leader Comrade Kim Il-song have wonderfully built into a socialist power the country which had been reduced to ruins in the war.

A meeting was also held in Russia at which speeches were made by Chairman of the Central Council of the Russian Association for Friendship and Cultural Cooperation with the DPRK Vladimir Tolstikov, Chairman of the International Committee for Peace in Ocean Pyotr Baraborya, First Deputy Editor-in-chief of Patriot Nikolai Ritbinov and others.

The speakers said the Korean people's great victory in the fatherland liberation war was a demonstration of the superiority and invincible vitality of socialism, and it proved in practice that the people who struggle for freedom and liberation under the leadership of an outstanding leader certainly win victory.

Referring to the pressure the imperialists and other international reactionaries have increased against the DPRK over the alleged "suspected nuclear development", they demanded an immediate stop to interference in Korea's internal affairs.

Japan Warned Against Becoming Nuclear Power

SK0608104294 Pyongyang KCNA in English 1021 GMT 6 Aug 94

["Lesson Must Not Be Forgotten"—KCNA headline]

[Text] Pyongyang, August 6 (KCNA)—The nuclear disasters in Hiroshima and Nagasaki 49 years ago warned mankind of the danger of nuclear weapons and, at the same time, showed that it is vital to human existence and development to scrap them, declares NODONG SINMUN in a commentary today.

The news analyst says:

Japan is the only nuclear victim in the world. Therefore, she must follow nuclear-free, peaceloving policy.

She is, however, walking the opposite road, the road of building itself into a nuclear power. Her nuclear arming is being stepped up on the danger line.

The Japanese reactionaries have set it as an immediate task for the conversion of the country into a military power to arm the "Self-Defence Forces" with nuclear weapons.

In putting spurs to her conversion into a nuclear and military power, Japan seeks to gratify today her aggressive desire which she failed to satisfy in the past.

It is a road to self-destruction for Japan to seek an overseas aggression with nuclear arms. This is proved by historical lessons.

It is important for the Japanese authorities to participate in the functions on the occasion of August 6. But, what is more important is for her to pursue a practical nuclear-free, peaceloving policy.

The mushroom cloud must not rise for the second time.

Japanese 'Document' Proves Nuclear Ambition

SK0708084194 Pyongyang KCNA in English 0823 GMT 7 Aug 94

["Deep-Rooted Ambition for Nuclear Armament"—KCNA headline]

[Text] Pyongyang, August 7 (KCNA)—The Japanese MAINICHI SHIMBUN reported that the Japan Foreign Ministry worked out already in 1969 a secret document calling for Japan's possession of the capacity to manufacture nuclear weapons.

Commenting on this, NODONG SINMUN today says the secret document proves the Japanese Government has long since promoted nuclear armament, setting the possession of nuclear weapons as the objective of its policy.

The analyst continues:

It is importantly stressed in the document that Japan should in no case give up the "possibility of possessing nuclear weapons." in other words, Japan should possess nuclear weapons at any cost.

Japan's nuclear armament has been rapidly promoted since then. Japan has stockpiled a huge amount of plutonium, reached the A-class level of the world in nuclear technology and development of carriage means and developed a long-range nuclear vehicle.

Japan is justifying the use of nuclear weapons. The Japanese Government is overtly supporting the use of nuclear weapons. In an official document submitted recently to the International Court of Justice, it denied that the use of nuclear weapons is a violation of the international law.

Facts show Japan is not reluctant to plunge mankind into the scourge of mass-destruction weapons in a bid to realise its dominationist ambition.

This notwithstanding, Japan is charging the DPRK with "suspected nuclear development program" like the guilty party filing the suit first. This is a shameless and ridiculous act. The Japanese authorities are persistently propagandising "nuclear suspicion" of the DPRK, with a view to diverting elsewhere the public attention critical of them and finding a pretext for justifying Japan's nuclear armament.

Japan must discard the bad habit of taking issue with others and stop nuclear armament.

One-Month Anniversary of Kim's Death Reported

Anniversary Wreath Ceremony Held

SK0808053294 Pyongyang KCNA in English 0505 GMT 8 Aug 94

[Text] Pyongyang, August 8 (KCNA)—Senior party and state senior officials, People's Army soldiers, working people and school youth and children laid wreaths and bouquets of flowers from this morning before the statue of the great leader Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, standing on Mansu Hill upon the lapse of one month since his death.

Lying before the statue was a wreath sent by the illustrious leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA].

A wreath was laid by O Chin-u, member of the Presidium of the Political Bureau of the C.C., the WPK and minister of the People's Armed Forces; Kang Song-san, member of the Political Bureau of the C.C., the WPK and premier of the Administration Council; and other senior party and state officials.

Anti-Japanese revolutionary fighters, KPA generals and soldiers, working people of all walks of life and school youth and children also laid wreaths and bouquets of flowers before the statue.

Wreaths and floral bouquets were also laid before statues of President Kim Il-song standing in different parts of the country.

After laying the wreaths and bouquets, they observed a silent tribute, looking back upon the great life of President Kim Il-song that will always shine with centuries, and vowed to accomplish the revolutionary cause of chuche through generations, holding the dear leader Comrade Kim Chong-il in high esteem at the top of the party, the state and the army.

Chongnyon Delegations Lay Wreath

SK0808110794 Pyongyang KCNA in English 1042 GMT 8 Aug 94

[Text] Pyongyang, August 8 (KCNA)—Delegations and visiting groups of the General Association of Korean Residents in Japan (Chongnyon) staying in the socialist homeland laid a wreath before the statue of the great leader President Kim Il-song standing on Mansu Hill on Monday [8 August] on the occasion of the lapse of one month after he passed away.

Lined up before the statue was a guard of honor of the three services of the Korean People's Army.

After the band played the national anthem, the participants laid a wreath before the statue in the name of the Central Standing Committee of Chongnyon amid the solemn dirge.

They observed a moment's silence to honor the memory of President Kim Il-song who devoted his whole life to the freedom and independence and eternal prosperity of the country, the happiness of the people and the reunification of the country.

Chairman Yi Yong-pin and director Kim Sun-hwan of the Council of Christians Overseas for National Unification laid bouquets before the statue of President Kim Il-song and observed a moment's silence.

Anti-Japanese Fighters Lay Wreaths

SK0808113694 Pyongyang KCNA in English 1106 GMT 8 Aug 94

[Text] Pyongyang, August 8 (KCNA)—Persons related to the anti-Japanese revolutionary struggle laid wreaths and bouquets before the statue of the great leader President Kim Il-song on Mansu Hill on Monday [8 August] on the lapse of one month after he passed away.

Present there were those related to the anti-Japanese revolutionary struggle—a U.S.-resident Korean Son Won-tae and his companion, an anti-Japanese revolutionary fighter So Sun-ok and her family and Zhang Weihua's grandchildren.

Lined up before the statue was a guard of honor of the three services of the Korean People's Army.

The national anthem was played and the participants laid wreaths and bouquets before the statue amid the solemn dirge.

They observed a moment's silence to honor the memory of President Kim Il-song with bitterest grief over the loss of him who liberated the country through a bloody anti-Japanese struggle, valued the relations sealed in blood during the anti-Japanese revolutionary struggle and warmly took care of them always with paternal affection out of the noblest sense of revolutionary obligations.

South Koreans Express Condolences

SK0708082294 Pyongyang KCNA in English 0805 GMT 7 Aug 94

[Text] Pyongyang, August 7 (KCNA)—The South Korean people expressed deep condolences on the death of the great leader President Kim Il-song, Seoul-based radio Voice of National Salvation said.

A pressman Son in Pusan put up a portrait of President Kim Il- song that he kept with much care and observed a silent tribute to express condolences with reverence together with his colleagues.

And he told his colleagues:

"As the minds of the people are the will of heaven, so no physical force can stop the people from mourning President Kim Il- song.

"The grief at the loss of the president with which the world is overwhelmed will sooner or later turn into fresh courage and strength and bring earlier the bright future of mankind.

"I saw in the grief of mankind at the loss of President Kim Il- song the great strength of mankind captivated by the chuche idea of the president and his traits of leadership.

"As long as the chuche idea of President Kim Il-song indicates the direction and ways of the struggle of our people and the people hold in high esteem as the sun of guidance the dear leader Kim Chong-il who has taken over the great traits and virtues of the president, the reunification of the country that President Kim Il- song desired so earnestly will certainly be achieved in the 90s."

An old man Pak Chun-hyok, a Christian in Chongno district, Seoul, told his fellow Christians who expressed deep condolences on the death of President Kim Il-song: "However desperately the rulers try, we will pray for the repose of soul of the president, holding ourselves up before the noble bier of the president, heaven of the 70 million fellow countrymen and sun of mankind and make strenuous efforts till the day when a new world for national independence and people's welfare comes, upholding the guidance of the dear leader Kim Chong-il with allegiance following the minds of the 70 million people."

A deacon Kim of Hwalbin Church in South Korea said in his sermon at a prayer meeting of his family to mourn over the death of President Kim Il-song on July 22:

"President Kim Il-song is the great saint produced by mankind in the 20th century.

"The saints preached 'benevolence', 'mercy' and 'love' to the world people, but our president showed loving care in practice and devoted his all to mankind with his beautiful traits.

"The course of his whole life was a glorious road run through with his infinite loving care and devoted services for the people."

People Vow Loyalty to Party

SK0608070494 Pyongyang KCNA in English 0434 GMT 6 Aug 94

[Text] Pyongyang, August 6 (KCNA)—People of all strata continue visiting the bronze statues of the respected leader President Kim Il-song in different parts of the country, though fifteen days have passed after they bade the last farewell to him in bitterest grief and pain.

Senior party and government officials, officials of the commissions and ministries of the Administration Council, workers of factories and enterprises, cooperative farmers, intellectuals and youth and children and people of other strata are climbing the Mansu Hill in Pyongyang where a tall bronze statue of President Kim Il- song is standing.

Hundreds of thousands of people of hundreds of organs, factories and enterprises, cooperative organisations and schools laid bouquets and wreaths before the statue of President Kim Il-song every day in the last fifteen days and vowed to remain faithful to our supreme commander Comrade Kim Chong-il, upholding the behests of the respected leader. People of all walks of life voluntarily do things to add luster to the statue of the fatherly leader.

Tens of thousands of letters of pledge and resolution carrying iron will and faith have been adopted one after another.

People of all strata are coming to other statues of President Kim Il-song in Pyongyang and statues in Chongjin, Nampho, Hamhung, Wonsan and other places to make oaths of loyalty and registering significant achievements in production and construction.

Meanwhile, broad segments of people and officers and men of the People's Army continue visiting the old home in the Mt. Paektu secret camp where Comrade Kim Chong-il was born to vow allegiance.

Wreaths Laid Before Local Statues

SK0808112094 Pyongyang KCNA in English 1056 GMT 8 Aug 94

[Text] Pyongyang, August 8 (KCNA)—Wreaths were laid before the statues of the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, in various parts of the country today on the lapse of one month since his death.

Endless streams of people of all walks of life and soldiers of the People's Army flowed toward the statues of President Kim Il-song standing in provinces, cities and counties, with sorrow at the loss of their kind father.

Guards of honour were standing before the statues.

Wreath-laying ceremonies were attended by senior officials of local party and power bodies, administrative and economic organs and working people's organisations, generals and soldiers of the Korean People's Army [KPA] and the Korean People's Security Forces [KPSF], public security men, workers, farmers, intellectuals and school youth and children.

While the bands played the dirge, wreaths laid before the statues in the name of local party and power bodies, administrative and economic organs, working people's organisations, units of the KPA and the KPSF, public security organs, institutions of science, education, culture and art, public health and the press, industrial establishments and cooperative farms.

The participants paid silent tribute to the memory of President Kim Il-song who made the Korean people the masters of the country and enabled them to enjoy an independent and creative life in great happiness.

Before the statues of President Kim Il-song, the working people, People's Army soldiers and school youth and children in all parts of the country renewed their will to carry to accomplishment the revolutionary cause of chuche, upholding the dear leader Comrade Kim Chong-il at the head of the party, the state and the army, true to the behests of the great leader.

Ceremony Participants Listed

SK0808051994

[All names, except Chairman of the Chondoist Chongu Party Central Committee Yu Mi-yong, as heard, without titles]

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 0400 GMT on 8 August carries 17 minutes of recorded coverage on a wreath-laying ceremony held before the Kim Il-song statue at Mansudae Hill in Pyongyang to commemorate the one-month anniversary of Kim Il-song's death.

The radio reports that "Comrade O Chin-u, Comrade Kang Song-san, Comrade Yi Chong-ok, Comrade Pak Song-chol, Comrade Kim Yong-chu, Comrade Kim Pyong-sik, Comrade Kim Yong-nam, Comrade Choe Kwang, Comrade Kye Ung-tae, Comrade Chon Pyong-ho, Comrade Han Song-yong, Comrade Kim Chol-man, Comrade Choe Tae-pok, Comrade Choe Yong-nim, Comrade Hong Song-nam, Comrade Yang Hyong-sop, Comrade Hong Sok-hyong, Comrade Paek Hak-nim, Comrade Kim Pong-yul, Comrade Kim Kwang-chin, Comrade Kim Il-chol, Comrade Kim Ki-nam, Comrade Kim Kuk-tae, Comrade Hwang Chang-yop, Comrade Kim Chung-nin, Comrade So Kwan-hui, Comrade Kim Yong-sun, Comrade Kim Hwan, Comrade Kim Pok-sin, Comrade Kim Yun-hyok, Comrade Yun Ki-pok, Comrade Pak Nam-ki, Comrade Chon Mun-sop, and Yu Mi-yong, chairman of the Chondoist Chongu Party Central Committee" attended the ceremony.

Kang Hyon-su, responsible secretary of the Pyongyang Municipal party Committee and chairman of the Pyongyang Municipal People's Committee, makes a 1.5-minute speech in which he says "the whole party, all the people, and the entire Army will consummate to the end the chuche revolutionary cause pioneered by the fatherly leader under the leadership of Comrade Kim Chong-il, the sagacious leader of our party and people, by replacing sorrows with strength and courage."

Radio coverage ends with a march by honor guards of the three services.

O Chin-u, Others Lay Wreaths

SK0808113094 Pyongyang KCNA in English 1117 GMT 8 Aug 94

[Text] Pyongyang, August 8 (KCNA)—Senior party and government officials, soldiers of the Korean People's Army, working people and school youth and children laid wreaths before the statue of the great leader Comrade Kim Il-song, general secretary of the Central Committee [CC] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, on Mansu Hill here this morning on the lapse of one month since his death.

The hill was packed to overflowing with people of all walks of life who came with deep reverence and longing for President Kim Il- song.

A wreath from the illustrious leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the DPRK and supreme commander of the Korean People's Army [KPA], was lying before the statue of President Kim Il-song.

Colours of the Korean People's Army were placed and a guard of honour of the three services of the KPA was lined up in solemnity beside the statue.

Present at the wreath laying ceremony were O-Chin u, Presidium member of the Political Bureau of the C.C., the Workers' Party of Korea and minister of the People's Armed Forces, Kang Song-san, Politburo member of the C.C., the WPK and premier of the Administration Council, Yi Chong-ok, Pak Song-chol and Kim Yong-chu, Politburo members of the C.C., the WPK and vice-presidents of the DPRK, Kim Pyong-sik, vice-president of the DPRK and chairman of the C.C, the Korean Social Democratic Party, and other senior party and government officials, anti-Japanese revolutionary fighters, bereaved families of revolutionary martyrs, persons related to the anti- Japanese struggle, those who had audiences of President Kim Il-song, generals and soldiers of the KPA and the Korean people's security forces [KPSF], public security men, officials of science, education, culture and art, public health and the press, working people and school youth and children.

The chief of the guard of honour of the three services of the KPA made a report toward the statue.

The national anthem was played.

While the band struck the dirge, wreaths were laid in the name of the Central Committee of the Workers' Party of Korea, the Central People's Committee of the DPRK, the Administration Council, all anti-Japanese revolutionary fighters, the Ministry of the People's Armed Forces, the Ministry of Public Security, units of the Korean People's Army and the KPSF, commissions and ministries of the Administration Council, the Korean Children's Union, political parties and public organisations, central organs, institutions of science, education, culture and art, public health and the press, Pyongyang municipal party and government bodies, administrative and economic organs, industrial establishments and cooperative farms and many others.

The participants paid a silent tribute in memory of President Kim Il-song, looking back with noble feelings on his great life and immortal exploits which will shine long along with centuries.

Then, a march past of the guard of honour of the three services of the KPA took place.

Dailies Praise Kim Il-song

SK0808114194 Pyongyang KCNA in English 1050 GMT 8 Aug 94

["President Kim Il-song Will Be Immortal as Sun of Chuche"—KCNA headline]

[Text] Pyongyang, August 8 (KCNA)—Papers here today carry articles upon the lapse of one month since the great leader President Kim Il-song passed away.

In a by-lined article titled "The Great Leader Comrade Kim Il- song Is Always With Us" NODONG SINMUN says the past one month after his death was days when the Korean people and all other peoples in the world have become all the more intimate with him.

The article notes:

People are still going to the statues of the great leader in an endless stream, unable to forget the great benevolence and the world-historic feats of the fatherly leader, who ushered in a new era of history under the banner of the great chuche idea, built a powerful socialist state independent, self-supporting and self- reliant in national defence on this land and gave all fortunes to the people.

In history there had never been such an outstanding great man as our respected leader President Kim Il-song, who performed undying feats for the nation and mankind, and the world had never been enveloped in so bitter grief as this time.

The dear leader Comrade Kim Chong-il said:

"Though history has recorded a great many famous leaders, it does not know such a great leader as ours."

It is not fortuitous that even those who had lacked understanding of our country and had been taken in by the tricks of reactionaries and those who had antagonized our country for a long period solemnly expressed condolences over the death of the great leader. When anyone was received by the great leader, he deeply respected him, charmed by his bright smile, great magnanimity and influence.

The respected leader possessed of all the traits of a great man as his natural gifts was the greatest man whose extraordinary personality, profound knowledge and great magnanimity as an elder statesman impressed all people and whose greatness charmed all people when they were received by him.

The fatherly leader turned adversity into favorable circumstances and misfortunes into bliss and looked after the life of all the people with utmost paternal care, while conducting tireless activities for the country and the people all his life. This love of the fatherly leader that reached everyone was the bosom of immortality that united all the people into an integrated whole and a source of heroic feats.

There will not be the slightest change in the solemn pledge of our people to live and struggle always under the slogans of faith "The great leader Comrade Kim Il-song is always with us" and "Let us arm ourselves more thoroughly with the revolutionary idea of the great leader Comrade Kim Il-song!"

In its article headlined "The Great Leader Comrade Kim Il-song Will Shine Forever as the Sun of Chuche" MINJU CHOSON says that though the heart of the referred leader Comrade Kim Il-song stopped beating, his august name and affectionate image will be always kept in the hearts of our people, his revolutionary feats will shine forever in history and his idea and leadership will be successfully carried forward by the dear leader.

Kim Il-song's 'Revolutionary Idea' Stressed

SK0708114794 Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 6 Aug 94

[NODONG SINMUN 6 August editorial: "Let Us More Thoroughly Arm Ourselves With the Great Leader Comrade Kim Il-song's Revolutionary Idea"]

[Text] Today all party members and people are more vigorously turning out along the road of advance to brilliantly inherit and consummate the chuche revolutionary cause by upholding the great leader Comrade Kim Il-song's intentions during his lifetime.

The slogan of faith entitled "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea" is flying along the future road of our people's struggle, a people who vigorously rose up to win a new victory by turning sorrow into might and courage. This symbolizes the revolutionary spirit of our party and people, both of which are constantly advancing with their invincible will under the banner of the great revolutionary idea.

The slogan of "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea" is the traditional slogan our party and people have always highly carried throughout the entire course of the protracted and ardent Korean revolution.

Our people are boundlessly loyal to the leader [suryong] and his revolutionary ideas; they are the most revolutionary people who have firmly united and fought on, rain or shine, under the banner of the great leader's revolutionary idea.

The slogan carried by Korean revolutionaries, who pioneered the early road of revolution during the arduous anti-Japanese struggle, was "Let us arm ourselves with the great Comrade Hanbyol's idea." Also, the slogan they did not abandon even for a moment during the difficult times of building a new society and socialism was a slogan of loyalty entitled "Let us live and fight on under the banner of the respected and beloved leader's revolutionary idea."

In the struggle to model the entire party and all of society on the chuche idea, this revolutionary slogan has been our people's unchangeable motto of life, as well as their firm faith. The warm blood of the revolutionaries and the people—who risked their lives to protect the leader's [suryong] idea, cherishing his idea as a firm principle of their life—is soaked into the chuche red flags flying on the frontline of the Korean revolution.

In today's struggle to move forward the new victory under the dear comrade leader's leadership, we must brilliantly embody the proud tradition of the Korean communist movement, which is boundlessly loyal to the leader's [suryong] revolutionary idea. The party's revolutionary slogan of "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea" is the chuche-oriented Korean revolutionaries' eternal slogan for a struggle to purely inherit the chuche lineage and to endlessly consummate our revolutionary cause under the banner of the leader's revolutionary idea.

The dear leader Comrade Kim Chong-il has indicated: We should strongly arm all party members and the working people with the chuche idea so they can safeguard the main force of the revolution without faltering in complicated situations, and can resolutely carry out the struggle to consummate the chuche revolutionary cause.

The revolutionary idea of the great Comrade Kim Il-song is the only lifeline that links the glorious past and present of the Korean revolution with its bright future. With this revolutionary idea as its guideline, our revolution was pioneered and has been advancing victoriously, reaching its present high stage.

Only when the respected and beloved leader's revolutionary idea—the chuche idea—is adhered to until the end, can we resolutely inherit our party's blood lineage and the revolution's tradition, both of which have been continuously carried forward in the arduous course of revolution. This is a precious truth which was clearly proved in the process of carrying our revolution into practice.

The great leader Comrade Kim Il-song extensively expounded upon the strategic and tactical problems arising in every stage of the Korean revolution along the arduous road of struggle. He also finalized ideas, theories, and methods to which our party and people should adhere for the communist future.

Even though the great leader of the revolution who set forth the revolution's guiding ideas and theories has departed us, his revolutionary idea will shed its rays on our party and revolutionary ranks which are marching ahead today and will continue to march ahead, tomorrow and eternally.

The bright future for the chuche revolution depends on whether our generation as well as future generations are armed with the leader's [suryong] revolutionary idea and can implement it to the end.

Carried in the slogan calling for firmly arming ourselves with the great leader's revolutionary idea is the unshakable will of the dear leader Comrade Kim Chong-il to firmly ensure the continuity of the idea, the key point in carrying forward the revolutionary cause, and to invariably defend the chuche character of our party and the revolutionary cause. That is why this slogan has gripped ever tighter the hearts of all party members and other people.

Our party and people are now at a historic point where they should give fresh spur to the completion of the chuche revolutionary idea. We cannot stop even for a minute the march of our revolution, which has been pioneered under the banner of the chuche idea.

Now is the time for the entire party, all the people, and the entire army to further accelerate the general onward movement of our own style of socialism, upholding the slogan of arming ourselves more thoroughly with the great leader Comrade Kim Il-song's revolutionary idea.

For all party members and working people to firmly arm themselves with the great leader's revolutionary idea, and to thoroughly apply that idea, is the noblest task in carrying out to the last the revolutionary soldiers' firm pledge made before Kim Il-song's bier.

All Korean communists and people have been brought up as true chuche-type revolutionaries, knowing the great leader's revolutionary idea as their only lifeline. As one should follow the intention of their parents, being endlessly faithful to the leader's [suryong] idea—which offered the loftiest political life and which raised him as a revolutionary—is the noblest moral and filial duty that should be cherished by persons engaged in the revolution.

Our people will not forget the leader's [suryong] grateful benevolence just because the generation of the revolution has changed; they will not overthrow the banner of ideas which the leader [suryong] endowed just because they are faced with ordeals while engaged in the revolution. During the period of condolence, our people firmly resolved to glorify the respected and beloved leader's revolutionary idea with a pure conscience and filial duty for all generations to come. We can never throw away such firm resolve until our hearts which burn with loyalty stop beating.

Only when all party members and working people fight, with the great leader's revolutionary idea as their resolute belief and unchangeable creed, can the blood ties with the leader be continuously carried forward and the honor of being the leader's revolutionary fighters be eternally glorified.

For the entire party, all the people, and the entire army to firmly arm themselves with the great leader Comrade Kim Il-song's revolutionary idea is the most important work in inheriting our people's proud tradition of unity and in making our society a body of which the leader, the party, and the masses are united in one ideology and purpose. The history of our single-hearted unity is a history of [?ideas] in which all ranks are armed with one idea, the leader's revolutionary idea, and are united under the banner of such an idea.

From the pioneering period of the Korean revolution to [words indistinct], and even during difficult times when enemies at home and abroad viciously maneuvered, a complete and unconditional unity and cohesion was achieved between the party and the revolutionary ranks thanks to the greatness of the leader's idea as well as the firm conviction of the revolutionaries and the people who followed the leader's idea.

Today, our society is bursting with the great chuche idea, and all party members and working people live and struggle in conformity with the leader's [yongdoja] ideas and intentions.

It is without precedent that our revolutionary ranks are so ideologically pure and its might so strengthened as it is today in which the leader's revolutionary idea prevails monolithically.

The great leader's revolutionary idea as well as the idea and theory of Comrade Kim Chong-il, who has developed in depth the great leader's revolutionary idea, are the eternal ideological banner of our single-hearted unity and the fundamental principle showing the revolutionary ranks' invincible might.

As in the past when the entire party, all the people, and the entire army armed themselves more thoroughly with the great revolutionary idea and fought ahead, our revolutionary ranks will never be swept away by alien ideas, and the might of single-hearted unity among our party, the revolutionary ranks, and the revolutionary armed forces with the dear leader comrade as its center of unitary will be strengthened in every way.

For all party members and working people to firmly arm themselves with the great leader Comrade Kim Il-song's revolutionary idea is an essential requirement to consummate the chuche socialist cause in conformity with the leader's intentions by effecting new upsurges in the revolution and construction.

The socialist cause is a struggle to realize the leader's idea. Therefore, all people should take as their faith the socialist cause expounded by the leader so as to defend and adhere to socialism.

Today we are accelerating the socialist construction by smashing anti-revolutionary ideological offensives and all sorts of challenges from the imperialists. The power with which we can smash the enemies' anti-revolutionary offensives with revolutionary offensives, and fully display the superiority of our own style of socialism, is the political and ideological might of our people who are armed with the leader's revolutionary idea.

The great leader Comrade Kim Il-song's revolutionary idea gave our people a strong conviction of the ultimate victory of the socialist cause and elucidated the road upon which we can build socialism without deviation and without ups and downs.

When we are firmly armed with the great leader's revolutionary idea, there is nothing we cannot accomplish nor be afraid of, even if a formidable enemy attacks us.

In places where the great leader's revolutionary idea furls, where the voice of socialist conviction resounds, and where the spirit of mass heroism is displayed, startling miracles and feats will occur.

Today, our party is warmly calling upon the entire party, all the people, and the entire army to make another leap forward in the revolution and construction by upholding the slogan "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea!" We should push forward work on achieving this slogan as the most important work linked with the prospect of our party, revolutionary ranks, and socialist cause, and should exert every effort to achieve the slogan.

What is most important in carrying into practice the party's slogan "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea!" is for all officials, party members, and working people to deeply grasp the greatness of the ideological and theoretical exploits performed by the leader.

The dear leader Comrade Kim Chong-il has pointed out: The great leader's immortal accomplishment which he achieved for the people is that he provided the popular masses with leading ideas, thus enabling them to brilliantly pioneer their fate.

The great leader Comrade Kim Il-song's revolutionary idea, the chuche idea, is the most revolutionary idea, reflecting the popular masses' independent demand and potential; it is an invincible weapon leading our cause of independence to victory.

Because there is the chuche idea, our party and people are confidently marching along the road of socialism, regardless of any wind. Likewise, the world's revolutionary people are rising up to advance their cause and rebuild socialism, thanks to the chuche idea which elucidates the future road for them. By founding the immortal chuche idea, the respected and beloved leader Comrade Kim Il-song provided us the precious ideological and theoretical wealth for accomplishing the Korean revolution and the cause of independence. This is his greatest feat.

The great leader Comrade Kim Il-song was the sun of chuche that brightly enlightened the road for mankind to walk along. Even though the respected and beloved Comrade Kim Il-song's heart stopped beating, the chuche idea founded by the leader will live forever as an ever-victorious banner leading mankind's cause of independence.

All the party members and working people should deeply recognize the greatness of the change the great leader brought about to the revolutionary practice of our times and the implementation of the cause of independence, and the greatness of his contribution to the ideological and mental life of mankind and the history of revolutionary ideology of the working class by founding the chuche idea. Along with this, party members and working people should deeply recognize that the socialist cause can win when they keep the great leader Comrade Kim Il-song's revolutionary ideology, the chuche idea, as the only guidance and follow the single road of chuche pioneered by the leader, and should always uphold the leader's revolutionary ideology.

We should resolutely defend, adhere to, and endlessly elucidate all the ideological and revolutionary wealth established by the sun of chuche—the respected and beloved Comrade Kim Il-song. The works written by the great leader Comrade Kim Il-song during his life are the textbooks of revolution that wholly integrate the chuche idea. All the party members and working people should wholly and deeply study the leader's immortal classical works, including the chuche idea series "The Outstanding Works of Kim Il-song." We should study and comprehend the great leader's works related to each other's field of work, and have a good command of the leader's ideology, the nature and essence of his famous sayings, and its correctness and implementation methods, so that all the party members and working people can become absolute believers of the chuche idea, who think and act only in conformity with the demands of the great leader's immortal ideology.

Another important thing in carrying into practice the party's slogan "Let us arm ourselves more thoroughly with the revolutionary idea of the great leader Comrade Kim Il-song!" is to be firmly armed with the ideological theory of the dear comrade leader, who deepened and developed the leader's revolutionary ideology. With extraordinary talent in research and energetic activities of ideological theory, the dear leader Comrade Kim Chong-il is elucidating the chuche idea founded by the great leader as the guidance ideology of the era of independence.

The historical task of formalizing the revolutionary ideology of the respected and beloved leader into a unitary system of ideological theory and methods of chuche was brilliantly accomplished by the dear leader. The exploit of enriching and wholly subliming and developing the chuche idea with new theories and contents in conformity with he demands of the current times and the development of revolution is also solved by the dear leader's unique ideological theory activities.

The ideological theory of the dear leader Comrade Kim Chong-il wholly inherits, deepens, and develops the revolutionary ideology of the respected and beloved leader [suryong]. All the ideological theory of the dear comrade leader starts with the chuche idea, and is consistent with endless loyalty to the chuche idea. It is the revolutionary ideology of the great leader [widaehan suryong] as well as the ideological theory of the dear comrade leader [chidoja].

To be firmly armed with the revolutionary ideology of the great leader, our party members and working people should study harder the ideological theory of the dear comrade leader and keep it deep in their minds. When we engrave our party's ideological theory deep in our hearts, we can feel deeper that the great leader [widaehan suryong] is the dear comrade leader [chidoja], and the dear comrade leader is the great leader, and maintain the firm faith to resolutely defend and adhere to the leader's [suryong] revolutionary ideology.

All the party members and working people should study and master the dear leader Comrade Kim Chong-il's ideological theory in depth, and keep the immortal treasure of ideological theory as guidance to accelerate revolution and construction. In particular, they should study the dear comrade leader's classical works published in recent years by researching and examining them. We should push ahead and complete our revolution to the end with the great leader Comrade Kim Il-song's ideology and theory by thoroughly embodying the dear comrade leader's ideological theory in our work and life.

It is important to carry out the work to thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideology in close connection with revolutionary practices. The great leader Comrade Kim Il-song's revolutionary ideology—the chuche idea—is a mighty weapon for practice and its invincible vitality was clearly proven through the practices of our revolution.

Because the chuche idea had elucidated the road ahead of us, we were able to win in a short period a great victory and success in a struggle for independence, sovereignty, and socialism, taking a shorter way for their realization. Also, we are continuously and vigorously accelerating the march for socialism without the slightest deviation.

All party members and the working people should be well aware of the glorious history of our revolution, which has victoriously advanced under the banner of the chuche idea, while theoretically and deeply conceiving the chuche idea. We should profoundly grasp, through a vivid reality and their experience in actual life, the superiority of the popular mass-centered socialism of our own style that fully embodies the chuche idea. The one who—being aware of the valuableness of socialism of our own style—actively participates in a struggle to resolutely safeguard, adhere to, and glorify it is the true loyalist and patriot, who is fighting on with the leader's revolutionary ideology. The chuche idea is a valuable ideological and spiritual style of the chuche-oriented communist revolutionaries to glorify their political life.

All party members and the working people should always and steadily carry out study to learn the theory of the chuche idea. Along with this, they should regard it as their firm faith to actively apply the chuche idea to carrying out the revolution. We should display the outcome of the study of the chuche idea by responsibly carrying out the revolutionary tasks assigned to us as befitting masters.

By highly displaying the revolutionary spirit of self-reliance and fortitude, all functionaries, party members, and the working people should overcome the difficulties they are facing with their own might. Also, they should constantly perform a new miracle and feat in a struggle to implement the party's revolutionary economic strategy.

To brilliantly embody the party's slogan: "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideology," party organizations should enhance their role more highly. In conformity with the demands of developing reality, the party organizations should more actively carry out the ideological and indoctrination work to make party members and the working people arm themselves with the great leader Comrade Kim Il- song's revolutionary ideology.

In particular, they should make party members and the working people become well aware of the essence and significance of the party's slogan "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideology," as well as the plan for its embodiment. By strengthening the indoctrination of the principles of the chuche idea, they should make all people profoundly grasp the outstanding principles of the chuche idea and its greatness and lead them to correctly embody it.

The functionaries in a scientific and theoretical sector, as well as the functionaries in publications and media sector should produce many dignified books and articles that have profoundly proven the greatness of the respected and beloved leader Comrade Kim Il-song's revolutionary ideology, the chuche idea. By so doing, they should actively contribute to making cadres, party members, and the working people strongly arm themselves with the chuche idea.

The educational sector, including universities, should strengthen the study of the chuche idea among the growing new generations and, as a result, foster them to become the true chuche-oriented revolutionaries, who glorify the leader's [suryong] revolutionary ideology generation after generation.

The great leader Comrade Kim Il-song's revolutionary ideology, the chuche idea, is the only guiding idea of our party and revolution, as well as the ever-victorious banner that leads the revolution and construction to the single road of victory.

The firm faith and will of our party and people are to resolutely safeguard and adhere to the revolutionary banner of the chuche idea and to only live and fight on according to the great leader Comrade Kim Il-song's ideology and intent. No one can create obstacles to the road ahead of us, who are fighting on by regarding the great leader Comrade Kim Il-song's revolutionary ideology as their lifeline.

Hurrah for the great leader Comrade Kim Il-song's revolutionary ideology, the ever-victorious and great banner.

Kim Il-song's Works Published in Booklet Form

SK0608215394 Pyongyang KCNA in English 1520 GMT 6 Aug 94

[Text] Pyongyang, August 6 (KCNA)—The Workers' Party of Korea publishing house recently brought out in booklet the great leader President Kim Il-song's works "Answers to the questions raised by the U.S. WASHINGTON TIMES news coverage group" (April 16, 1994), "Answers to the questions raised by the U.S. CNN News coverage group" (April 17, 1994) and "Answers to the questions raised by the NHK News coverage group" (April 17, 1994).

In the works, the great leader clarified a series of matters including a smooth solution to the nuclear issue on the Korean peninsula, promotion of the cause of the independent and peaceful reunification of the country, improvement of relations between the DPRK and the USA and the relations between the DPRK and Japan and expansion of the external economic relations of Korea.

In the works, he also mentioned the noble personality of dear Comrade Kim Chong-il as the people's leader, his brilliant leadership exploits and the bright future of the Korean revolution.

In his answers to the questions raised by the U.S. WASHINGTON TIMES news coverage group on April 16, 1994, the great leader elaborated on the strained situation on the Korean peninsula caused by the clamour of the United States over the nuclear issue. The DPRK Government has consistently hoped for a peaceful solution to the nuclear issue on the Korean peninsula through dialogue with the United States and made all efforts to reunify the country peacefully, he said.

"We value peace most and do not want war. But, if anyone attempts to infringe on our sovereignty and vanquish us by force of arms, we cannot but exercise our right to self- defence and counter him with arms," he said.

The work touches on a series of problems including the question of opposing dependence on outside forces, reunifying the country with the concerted efforts of the North and the South and successfully shaping the future of Korea, the question of observing the principles of the DPRK- USA joint statement and implementing them sincerely and normalising the relations between the DPRK and the USA, the question of opposing Japan's nuclear armament and making efforts to denuclearise the Korean peninsula and the question of further expanding the external economic relations of Korea.

In the work, the great leader said the dear leader Comrade Kim Chong-il is wisely leading the Korean revolution along a road of victory.

President Kim Il-song said:

"In our country, Comrade Kim Chong-il has long since been guiding the overall affairs of the party, the state and the Army. All his thinking and activity are strictly to fulfil my idea and intention. His idea and leadership are, so to speak, my idea and leadership."

The great leader in the work said the Korean people have long since deeply respected and absolutely trusted Comrade Kim Chong-il, calling him "the dear leader." "Because Comrade Kim Chong-il possessed of flawless personality and qualities as the people's leader is successfully carrying forward our idea and leadership, everything in our country is going well and will go well in the future, too," he added.

The great leader noted with pride that "we achieved national independence and built the most advanced socialism of our style centred on the popular masses on this land through a protracted and arduous struggle." He expressed the belief that the Korean people will brilliantly accomplish the cause of socialism in the northern half of Korea and achieve the cause of national reunification without fail. He also outlined the hopeful prospect of the struggle.

In his answers to questions put by the U.S. CNN News coverage group on April 17, 1994, the great leader elaborated on the consistent policy of the DPRK Government for the denuclearisation of the Korean peninsula. Whether the nuclear issue on the Korean peninsula is settled smoothly, or not, depends on what attitude the parties concerned take and how they endeavour, he said.

He expressed the unshakable position of the DPRK, saying: "If the United States imposes 'sanctions' on our Republic through the U.N. Security Council, this will be a hostile act infringing on our sovereignty pointblank and then our people will never allow the sovereignty of the country to be violated and will have to take an appropriate countermeasure." Also dealt with in the work are the questions of liquidating the unsavory relations and establishing normal relations between the DPRK and the USA, creating conditions and a climate for DPRK-USA summit talks and realizing North-South summit talks and actively promoting the reunification of Korea on the three principles of independence, peaceful reunification and great national unity.

In the work, the great leader said enormous achievements have been made in all spheres of socialist construction in Korea under the guidance of the dear leader Comrade Kim Chong-il.

"Comrade Kim Chong-il is intensely loyal to the country and the people and has flawless traits and qualities as the people's leader," the great leader said.

The great leader noted that Comrade Kim Chong-il has further developed and enriched the chuche idea, the guiding idea of the Workers' Party of Korea, consolidated the singlehearted unity of Korean society, skilfully led the revolution and construction and made a fruitful progress in all sectors of politics, the economy, culture and military affairs.

"Our people are enjoying a stable life and courageously advancing along the road of socialism with a high sense of pride and honor, confidence and optimism despite the complicated situation. This is unthinkable apart from the tested leadership of Comrade Kim Chong- il," said the great leader. "All things in our country will go well in the future, too, [words indistinct] not wavering in any storm and stress, because Comrade Kim Chong-il, who is possessed of the personality as the people's leader and enjoys undisputed support and respect from the people, is creditably carrying forward our idea and leadership," he noted.

In his answers to the questions put by the NHK News coverage group on April 17, 1994, the great leader said the "controversial nuclear weapons development" brought forward by the United States is a fiction motivated by the political purpose of marring the image of Korean socialism and stifling the DPRK. "If the present crisis is to be ironed out on the Korean peninsula, the DPRK and the United States must resolve the nuclear issue peacefully through dialogue and negotiation," he said.

Expressed in the work is the position of the DPRK Government to make active efforts to realise the joint declaration on the denuclearisation of the Korean peninsula and promote peace and peaceful reunification of Korea, as hoped and desired by the entire nation. It is also noted in the work that the nuclear issue on the Korean peninsula must be settled through direct talks between the DPRK and the United States, the United States must withdraw its troops and nuclear weapons from Northeast Asia, abrogate the aggressive military treaties it concluded with countries in this region and refrain from staging military exercises increasing the tension in this region, and if the relations between the DPRK and Japan are to be improved and normalised, Japan must properly reflect on the great misfortunes and sufferings it imposed on the Korean people in the past and the Japanese Government must discard the attitude hostile and unfriendly to the DPRK and seek no sinister political purpose as regards the matter of normalising the DPRK-Japan relations.

Article: Kim Chong-il Ensures 'Future' of Nation

SK0508113694 Pyongyang KCNA in English 1120 GMT 5 Aug 94

["The Illustrious Leader Glorifying National Dignity"—KCNA headline]

[Text] Pyongyang, August 5 (KCNA)—Though the great father of the nation passed away, the bright future of our nation is firmly ensured because there is the dear leader Comrade Kim Chong-il.

This is a topic of a NODONG SINMUN article titled "The Illustrious Leader Glorifying National Dignity Through Generations".

The article says:

Our people who embarked upon the worthwhile road of national rebirth and prosperity thanks to the great leader Comrade Kim Il- song long ago have reached the climax of development and glory in the period of the leadership of the dear leader Comrade Kim Chong- il.

Dear General Kim Chong-il, looked up to by the whole nation, is, indeed, a peerless great man who appeared like a comet in the history of our nation and an eternal lodestar of our nation.

"Korea, I will glorify thee", this was a firm oath made by the dear leader Comrade Kim Chong-il for the country and the nation in the first days of his glorious revolutionary activities.

The greatness of Comrade Kim Chong-il who is glorifying the dignity of the nation through generations lies in that he has resolutely defended independence, the soul and life of the nation under any circumstances, powerfully demonstrated the greatness and resourcefulness of the Korean nation in all domains of the revolution and construction and led the noble cause of great national unity to victory.

It was thanks to the guidance of the dear leader that the struggle to establish chuche in the revolution and construction and apply the revolutionary line of independence, self-sustenance and self-reliant defence has developed to a new higher stage. Today, the Korean people are a dignified one who have their party, a chuche-based revolutionary government which shapes an independent politics according to the will of people, a solid independent national economy which can develop on its own feet and powerful self-defensive revolutionary forces which can defeat any enemy with domestic forces.

The dear leader has steadily deepened and developed the immortal chuche idea and instilled it deeply into the hearts of the people, with the result that the Korean people have become the most powerful one in idea and ideal, faith and traits. And he has ushered in a heyday of the man-centred socialism of Korean style on this land. As a result, the Korean people are priding themselves in being a developed nation with nothing to envy also in the aspect of social system and the phase of social development.

The dear leader has consistently led all segments of the Korean people in the North, the South and overseas to put up the supreme interests common to the nation, subordinate everything to it, promote coexistence, coprosperity and common interests of the whole nation and remove the state of confrontation and tensions.

The dear leader cordially embraces any patriotic minded person. And if anyone who had once committed indelible crime against the nation takes the road of national reunification, the dear leader leads him to make contributions to the country and the nation, not questioning his past.

It is an irrefutable flow of the nation's history to boundlessly look up to and follow respected General Kim Chong-il as the great leader of the nation.

To put up and respect the leader who has performed undying exploits for the nation is a natural ideological feeling of the nation and nothing can check the sentiments of the entire fellow countrymen attracted to the great man, the illustrious leader.

Kim Chong-il's 'Humanity' Toward People Lauded

SK0508114194 Pyongyang KCNA in English 1129 GMT 5 Aug 94

[Text] Pyongyang, August 5 (KCNA)—A special plane was flown in the sky above the Democratic People's Republic of Korea on July 12.

When the whole country, nay the whole mankind, was overwhelmed with the bitterest grief at the death of the great leader President Kim Il-song, the plane flew through the air filled pain and sorrow and landed in a small village near the Military Demarcation Line.

The plane was sent by the dear leader Comrade Kim Chong-il to bring the triplets who were born in the mountainous village on July 4 to the Pyongyang maternity hospital.

The villagers and People's Army soldiers thronged around the plane and broke into sobs.

"Oh, dear leader, why do you show such a great favor for the little things born in a mountainous village at a time when the whole country is overcome by grief at the loss of the fatherly leader," said Kang Myong-hwa, the mother of the triplets, sobbing.

The people wept, expressing thanks to Comrade Kim Chong-il for having shown the deep loving care for the people, though he must be feeling bitterer grief than anyone else at the loss of the father of the nation.

The legend of love for humanity of Comrade Kim Chong-il who is carrying forward the benevolent politics of the fatherly leader who devoted his whole life to the happiness of the people with the noble motto "To believe in the people as in heaven", can be heard in all parts of the country.

It is the reality of Korea today that a warplane takes off, a special train runs and a large trading ship changes its course in an ocean to save a newborn child and a man from death under his great politics of love.

That is why the Korean people hold Comrade Kim Chong-il as the illustrious leader of the nation and unconditionally follow and worship him.

The triplets who were carried to the warm cradles of the Pyongyang maternity hospital by the plane, seen off by a crowd of people, were named Chongil, Pokil and Thanil meaning "rifle and bomb".

"Rifle and bomb" represents the firm faith and will of the entire Korean people to become human bombs defending the respected Supreme Commander Comrade Kim Chong-il.

ROK Scholars Reportedly Uphold Kim Chong-il

SK0508222094 Pyongyang KCNA in English 1515 GMT 5 Aug 94

[Text] Pyongyang, August 5 (KCNA)—Scholars in Seoul recently held a symposium on the situation and vowed to devote themselves to the noble cause of reunification, upholding General Kim Chong-il, the leader of the nation and the lodestar of national reunification, according to Seoul-based Radio Voice of National Salvation quoting sources of the Seoul City Committee of the South Korean National Democratic Front.

Dr. Choe of the Ihwa Institute of History said:

"The great President Kim Il-song was the father of the nation who devoted his whole life to the people and saved our Korean nation from the distress of national ruin and an elder statesman of the world recognised by all people, who was the first in human history to open a new epoch of independent shaping of the destiny.

"All the Koreans became mourners and all the people of the global community shared sorrow, irrespective of the differences in ideology, idea and system upon the death of the president, a peerless great man of the century. Even the sky and birds shed tears in grief. But, only the Kim Yong-sam group levelled guns on the North and prayed for 'disturbance' in the North. There had been no such human derelict in history.

"The Kim Yong-sam group that did not observe morality and etiquette toward the great man produced by heaven will certainly be punished by heaven."

A researcher surnamed Yi of the Institute of National Culture of Korea University, denounced the Kim Yong-sam group for branding the call of conscientious people for mourning the death of President Kim Il-song as "act benefitting the enemy" and handcuffing the members of a mourning group on their trip to the North. He stressed the need to hold higher the banner for the overthrow of Kim Yong-sam in order to keep the beautiful manners and customs of the Korean nation and reunify the country at an early date.

Professor of politics Pak of Seoul National University said:

"Today we are at a crossroads of democracy or fascism, reunification or division. This grave situation urgently request the intellectuals in this land to charge along the patriotic road of democracy and reunification. We must be pioneers in leading all people including students to reunification in the 90s, true to the will and behests of President Kim Il-song.

"The reunification of the country and the prosperity of the nation will certainly be achieved when we uphold with loyalty and filial piety and follow our leader Kim Chong-il, one more rare great man produced by heaven, who indicates the way of reunification with his clairvoyance and will guide the 20th and 21st centuries in one generation."

The participants in the symposium wrote in blood on a silk canvass 4.15 metres long and 2.16 metres wide "Let us reunify the country in the 90s under our leader Kim Chong-il!"

People's 'Faith' in Kim Chong-il Highlighted

SK0708085294 Pyongyang KCNA in English 0831 GMT 7 Aug 94

["Unshakable Faith of Korean People Following Illustrious Leader"—KCNA headline]

[Text] Pyongyang, August 7 (KCNA)—NODONG SINMUN today comes out with an article titled "Unshakable faith of Korean people following illustrious leader."

The author of the article says:

The faith and will of the Korean people to uphold the dear leader Comrade Kim Chong-il and share the destiny with him forever are growing stronger today. This faith is so absolute and unshakable that nothing can break it and no force can check it.

The unshakable faith of the Korean people to share the destiny with the dear leader forever has historically been formed and consolidated through a protracted revolutionary struggle and it is based on the firm belief that their destiny and future can be shaped successfully only under his guidance.

The dear leader has led our party and revolution in the van for 30 years. In the course of this glorious, protracted struggle, our people have witnessed and experienced how the dear leader turned misfortune into bliss and adversity into favorable conditions in leading the revolutionary cause of chuche in the van.

In the course of making revolution under the guidance of the dear leader, our people have become convinced that any work organised and unfolded by him always ends in victory and great miracle.

Through their long-time experience, our people have come to believe that the dear leader Comrade Kim Chong-il is their destiny and future and the whole of their life.

Thanks to his politics of love and trust, our people are fully enjoying an independent and creative life and live an honorable life as revolutionary soldiers with the most precious political integrity.

It is the unshakable will of our people that because the dear leader is leading their destiny in a responsible manner, they are not worried about their destiny and will certainly win no matter what formidable enemy may pounce upon them and what difficulties may crop up.

Their faith to share the destiny with the dear leader forever is becoming more unshakable today because it is based on the absolute belief that the great leader means the dear leader and vice versa.

CNN Coverage of Activities in Pyongyang Noted

SK0608080294 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 3 Aug 94

[Text] According to a foreign news report, the U.S. CNN television broadcast showed a panoramic view of Pyongyang on 1 August, and reported on the activities of the members of the CNN delegation visiting the DPRK.

The broadcast reported as follows:

Many people are still expressing condolences in front of President Kim Il-song's bronze statue situated in the center of Pyongyang. All day long many people visit President Kim Il-song's bronze statue erected on Mansudae Hill.

We have not yet met His Excellency Kim Chong-il, whom the North Korean people call the dear leader. We believe that Kim Chong-il is a very great man and a man leading this country. He was already in charge of all work, including party and military affairs, when President Kim Il-song was alive.

Many people visit the enormous bronze statue of President Kim Il- song situated in the center of Pyongyang to pay condolences, and are expressing respect to him, who people call the great leader, and they are pledging loyalty to His Excellency Kim Chong-il, who is the successor of the (?president's) cause.

Independent 'Pannational Unified State' Stressed

SK0808105194 Pyongyang KCNA in English 1038 GMT 8 Aug 94

["Unified State Should Be Independent, Peaceful and Neutral"—KCNA headline]

[Text] Pyongyang, August 8 (KCNA)—NODONG SINMUN today comes out with an article entitled "Unified State Should Be Independent, Peaceful and Neutral."

The author of the article says:

The great leader Comrade Kim Il-song clarified the general objective of the great unity of the whole nation in the first point of "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country."

He said:

"The North and the South should found a pan-national unified state to represent all parties, all groupings and all the members of the nation from all walks of life, while leaving the existing two systems and two governments intact. The pan-national unified state should be a confederal state in which the two regional governments of the North and the South are represented equally, and an independent, peaceful and nonaligned neutral state which does not lean to any great power."

As clarified by the great leader, the general objective of the great unity of the whole nation is to found a pan-national unified state, a confederal state independent, peaceful and neutral.

The general objective is entirely in the interest of all the members of the nation and enjoys sympathy from all of them. So it is very reasonable and urgent.

There exist different ideologies and systems in the North and the South of Korea and neither side is willing to concede or abandon its own. So, if the country is to be reunified peacefully, there is no other way but to found a pan-national unified state representing all parties, all groupings and all the members of the nation from all walks of life, while leaving the existing two systems and two governments intact.

The other ways, if any, are that any of the North and the South should reunify the country by force of arms, imposing its ideology and system on the other, or the North and the South should remain divided forever because of the existence of two systems.

The pan-national unified state, which our nation should build through great unity, should be a confederal state in which the two regional governments of the North and the South are represented equally.

In the 10-point programme, the great leader clearly indicated the path of the unified state, saying that the pan-national unified state should be an independent, peaceful and nonaligned neutral state which does not lean to any great power.

The independent, peaceful and neutral line and position are the basis of state policy and the main factor characterizing the unified state.

The independent line of the pan-national unified state makes it possible to realise our nation's cherished desire for fully exercising the right to independence. It also fully accords with the desire of the world people and the trend of the times toward independence against all manner of domination and subjugation.

The pan-national unified state shall neither pose a threat of aggression to any country nor be used in aggression of any country but shall turn the Korean peninsula into a nuclear-free, peace zone, true to the tradition of the Korean nation loving peace. The unified line of the pan-national unified state is imitable from the character and features of the confederal state. The foreign policy of the unified state must be neutral on the basis of the common national ideal irrespective of the system and ideology.

Neutrality is the mode of existence of the pan-national unified state, the confederal state based on two different ideologies and systems.

The great leader's policy of founding an independent, peaceful and neutral unified state is a bright beacon indicating the path of the unified country.

Historic Sites, Relics of Tangun Unearthed

SK0608104494 Pyongyang KCNA in English 1015 GMT 6 Aug 94

[Text] Pyongyang, August 6 (KCNA)—Historic sites and relics of Tangun Korea have been unearthed in the area of Pyongyang, Korea.

The newly unearthed sites and relics include ruins of one castle, 280 dolmen tombs, a typical type of tombs for the ruling class, 97 stone coffins, bronze, gold-bronze, iron and ceramic articles in the period of ancient Korea.

The castle of 5,000 years ago discovered in Namgang workers' settlement (Hyangdan-ri), Kangdong County, is located on a mountain before Hwangdae village about 3 km northwest of Nam River and its wall was built with big stones collected from the river and covered with earth.

The bottom width of the wall now remaining nearly in the original state is 10 metres, upper width 5 metres and its height one meter.

The typical dolmen tombs were discovered in Chang-ri, Sangwon County. Their covers are destroyed and gone. The stone that once supported them is 6 metres wide and 55 centimetres thick.

Found in tombs are human bones, lute-type bronze spear heads, bronze buttons, gold-bronze earrings, an iron mirror and jars.

The sites and relics prove with added clarity that Tangun founded ancient Korea, the first ancient state of our country, 5,000 years ago and Pyongyang was the centre of ancient culture and one of the cradles of human civilization.

South Korea

'Friction' Reported With U.S. Over F-16 Fighter

SK0808094794 Seoul CHUNGANG ILBO in Korean 8 Aug 94 p 6

[YONHAP/Washington]

[Text] It was revealed on 7 August that with the prolonged friction between the ROK and the United States over the issue of supplying core equipment for the F-16 fighter, the ROK Air Force's next-generation fighter project, which totals $500 million, is facing great difficulties.

According to a report presented to the U.S. Congress by the U.S. General Accounting Office, as well as from other informed sources, the U.S. Department of Defense did not accept the ROK's demand, making only a partial concession concerning the supply of airborne self-protection jamming system (ASPJ) [acronym as published], which is the core equipment of the F-16 fighter. As a result, it is worried the plan to deliver F-16 fighters to the ROK beginning in October will face a stumbling block.

In the wake of strong resistance by the ROK and other nations, the Department of Defense made a partial concession regarding the ASPJ sale, once again causing friction with the U.S. Congress. Moreover, the U.S. assistant secretary of defense was quoted as saying: "Equipment for anything other than U.S. military use cannot be guaranteed."

The Department of Defense had earlier failed to improve the functions of the ASPJ, and as a result suspended its development and additional purchases. The Department of Defense then encouraged the ROK and others to buy this equipment for civilian use. However, resistance was so fierce that the Department of Defense made concessions regarding the supply of software and installation technology—but not hardware—to the ROK through Foreign Military Sales.

Nuclear Ambassador on DPRK-U.S. Talks

SK0608030394 Seoul TONG-A ILBO in Korean 6 Aug 94 p 2

[Interview with ROK Nuclear Ambassador Kim Sam-hun by Yon Kuk-hui in Geneva on 4 August 1994—first paragraph is introduction]

[Text] On 4 August, Nuclear Ambassador Kim Sam-hun, who is in charge of dealing with North Korea's nuclear issue, stated: North Korea's idea of seeking a package solution at the DPRK-U.S. high-level talks in Geneva is "in my opinion virtually unfeasible." It is also difficult to set a deadline of the end of August for the disposal of North Korea's spent fuel rods. Staying in Geneva while the high-level talks are being held, Ambassador Kim made clear to reporters South Korea's position towards the talks.

[Yon Kuk-hui] How do you evaluate North Korea's call for a package solution?

[Kim Sam-hun] Presently, I have no idea as to what North Korea means specifically. It is necessary to have a conceptual understanding of a package solution. From the standpoint of common sense, we believe it is impossible to solve all these questions simultaneously. Even if an agreement is reached on a certain matter, there still could arise a difference of views in putting such an agreement into practice—for example, the process of reaching and implementing an agreement in support of North Korea's construction of a light-water reactor. Therefore, a step-by-step solution is necessary.

[Yon Kuk-hui] The disposal of North Korea's spent fuel rods is being discussed as a top priority. When is the deadline for disposing of the spent fuel rods?

[Kim Sam-hun] I understand the possible period for safely keeping and maintaining the spent fuel rods, which are currently being held in a water tank, can vary greatly depending upon the quality of the water and the conditions of their maintenance. True, the period of keeping and maintaining the graphite moderation reactor is short, but the technology to extend the period has been developed. I have no idea where the setting of the end of August as a deadline came from. Perhaps this is speculation since the conditions under which North Korea is keeping and maintaining the rods is unknown. Chief U.S. delegate Robert Gallucci is talking about "a top priority task" because the spent fuel rods are an issue which should be dealt with on a priority basis, and because the rods are the current question in North Korea's past, present, the future nuclear activities.

[Yon Kuk-hui] It has been said the DPRK-U.S. talks and the South-North summit are complementary. However, at the moment the South-North talks have virtually fallen through. Considering the possibility of finding a solution to North Korea's nuclear issue at the North-U.S. talks, at least some kind of understanding should be achieved in South-North relations.

[Kim Sam-hun] I cannot give you any straightforward answer since no one knows where these on-going talks will lead. However, there still remains the principle that the South-North talks should be held, but it is inappropriate here to talk about the timing and method of the talks.

Washington Cited on 'Practical' DPRK Talks

SK0608050894 Seoul YONHAP in English 0455 GMT 6 Aug 94

[Text] Washington, Aug. 5 (YONHAP)—The eight-hour-long intensive talks between Washington and Pyongyang on the latter's nuclear project in Geneva Friday have been practical and useful and the talks will resume at Pyongyang's mission in Geneva Monday, the State Department announced Friday.

The two sides had to adjourn Friday's talks, initially scheduled for two days, after one-day session to get instructions from their governments on thorny issues, according to diplomatic sources here.

The two sides could finish the talks earlier than the original schedule because they dealt with the talks as a continuation of the talks they had on July 8, said the sources, adding that there's no need to be either optimistic or pessimistic about the future of the talks.

The U.S. side strongly demanded during the talks that the North guarantee it would not reprocess the spent nuclear fuel rods by transferring them, currently placed in a cooling pond at its Yongbyon nuclear complex, to a third country, according to the sources.

Representatives from Pyongyang, however, refused to comply with the U.S. request, insisting on the need to reprocess the spent fuel rods as soon as possible under the supervision of the International Atomic Energy Agency (IAEA) citing safety reasons, said the sources.

The Washington side assured that they are ready to help Pyongyang build a light-water nuclear reactor while demanding that Pyongyang stop constructing a 50-mega-watt and a 200-mega-watt heavy-water nuclear reactors as soon as a concrete plan for a plan for the construction of a light-water reactor takes shape, said the sources.

North Korea, however, demanded that Washington compensate Pyongyang for the damage incurred by the stoppage of its nuclear project in addition to supporting its plan to build light-water reactors, said the sources.

The sources said they found no major policy changes of the North on the nuclear issue when analyzing the results of Friday's talks.

Recess After U.S.-DPRK Talks Round Reported

SK0608012294 Seoul YONHAP in English 0116 GMT 6 Aug 94

[Text] Geneva, August 5 (YONHAP)—Officials of North Korea and the United States, following an intensive eight-hour discussion on Pyongyang's nuclear issue and improved relations between their countries at their resumed third round of talks here Friday [5 August], decided to meet again Monday after having consultations with the home governments over the weekend.

An agreement to that effect was announced by the two sides in their respective press briefings after the lengthy meeting that took place at the U.S. mission in Geneva.

North Korean chief delegate Kang Sok-chu, first vice foreign minister, told the press first that they had a "practical and specific" discussion on each other's stands. The outcome of the discussion was "useful," he said.

"Various complicated issues" including how to handle spent nuclear fuel rods now in a cooling pond in North Korea were taken up, but their contents could not be disclosed, Kang said. "No accord was reached today."

Kang's U.S. counterpart, Assistant Secretary of State Robert Gallucci, said that the two sides intensively discussed all pending matters. He, however, said that he would not say there was progress made in the first-day session.

Asked if North Korea promised to freeze the reprocessing of the used nuclear rods while the high-level talks are under way, Gallucci said that he understood that the North Korean nuclear program would be frozen during the talks. Since IAEA [International Atomic Energy Agency] inspectors are continuously staying in North Korea there was no need to discuss the matter, he said.

Referring to the issue of replacing North Korea's graphite- moderated reactors with light-water reactor systems, Gallucci said that after the talks were suspended on July 8 he had had consultations on the matter with officials of South Korea, Japan, China and Russia. As a result, he said, the U.S. side went into the meeting prepared to discuss the matter more specifically.

The United States and North Korea were originally scheduled to hold the resumed third round of talks Friday and Saturday and reconvene the meeting next Tuesday and Wednesday.

DPRK Reportedly To Ask Compensation at Talks

SK0608031994 Seoul KBS-1 Radio Network in Korean 0200 GMT 6 Aug 94

[YONHAP report from Tokyo]

[Text] In a dispatch from Geneva on 6 August, YOMIURI SHIMBUN reported that under the justification of resolving suspicions regarding its development of nuclear weapons, North Korea will demand various forms of compensation at the third round of high- level DPRK-U.S. talks which resumed on 5 August.

YOMIURI SHIMBUN reported as such, quoting a North Korean source, and emphasizing that while the capacity to possess plutonium and freeze the nuclear program could be used as a card, North Korea is trying to receive many guarantees from the United States at the third round of talks.

The source revealed that while claiming it is possible to reprocess the spent nuclear fuel under the supervision of the International Atomic Energy Agency, North Korea will demand the United States compensate Pyongyang for abandoning its plan to expand its reprocessing capacity—a capacity which includes reprocessing, loading new nuclear fuel, and constructing a new graphite moderation reactor.

In particular, the source revealed that since the installation of the light water reactor will take approximately 10 years, North Korea suggested for the first time that economic support is necessary during this period.

DPRK Rejects Offer of ROK-Model Reactor

SK0608062294 Seoul YONHAP in English 0610 GMT 6 Aug 94

[Text] Seoul, Aug. 6 (YONHAP)—North Korea has again asked for the Russian-model reactor, instead of the South Korean model, in relation to the U.S. offer to support its installation of a safer light-water reactor in return for freezing its nuclear weapons development program.

A diplomatic source here said Saturday that North Korea, saying there is no reason for South Korea to take any part in resolving the nuclear issue, had rejected the South Korean-model light-water reactor in spite of U.S. persuasion in the high-level U.S.-North Korea meeting in Geneva Friday.

North Korea repeatedly asked for the Russian-model reactor on the grounds that the Russian model is half the price of the South Korean model and that North Korea is technically familiar with the Russian model, strongly rejecting the South Korean model seemingly because of the current tense inter-Korean relations, he remarked.

What stance the United States took on this North Korean demand is not made known, but U.S. officials are known to be nearing a view that it would be hard to push through their plan to supply the South Korean model to North Korea, he said.

On the issue of reprocessing the spent fuel rods taken out of the 5-megawatt reactor in Yongbyon and now kept in a cooling water tank in North Korea, North Korea showed a somewhat positive response to the U.S. offer to send international specialists to North Korea for a special chemical treatment of the fuel rods to extend their storage period.

Before the U.S. offer, North Korea again expressed its readiness to allow international specialists to monitor the reprocessing of the spent fuel rods in North Korea and to place the plutonium extracted from the fuel rods under a strict control of the International Atomic energy agency (IAEA) or other international organizations, noting the safety and technical deadline for reprocessing is imminent.

But North Korea clearly opposed the U.S. request that North Korea move the spent fuel rods to a third country, the source said.

North Korea also wanted to continue the projects of constructing two additional reactors—50-megawatt and 200-megawatt—until construction of a light-water reactor is completed, and the United States offered to provide an alternative power generation facility provides that North Korea suspends the two reactor construction projects.

The source said there was not a bit of difference in North Korea's stance or proposal between the meeting held before Kim Il-song's death and Friday's meeting.

When the issues raised in Friday's meeting are resolved, the two countries will discuss exchanging liaison offices and establishing consular relations between them, he observed.

'Affirmative' Assessment of U.S.-DPRK Talks

SK0708030994 Seoul KYONGHYANG SINMUN in Korean 7 Aug 94 p 3

[Report by Yi Sung-chol: "Our Government's View on the U.S.- DPRK Talks"]

[Text] The government's assessment of the third round of high-level talks between the DPRK and the United States, which resumed on 5 August, is affirmative. A relevant government official stated: "The 5 August talks were a sort of reconnoitering skirmish, and for the moment their result is satisfactory." Such a government assessment is based on the fact that despite Kim Il-song's death, North Korea's attitude and position towards the talks has not been different from that shown during the DPRK-U.S. talks held on 8 July.

Just as it did during the talks held last month, North Korea put forward its so-called "North Korean-style package solution." However, North Korea admits that in actuality this method is impossible, and thus expressed its agreement in principle with a "lesser-scale solution package" put forward by the United States. It has been learned that the United States' method is to link a freeze in the North's nuclear development with a pledge to support the construction of a light-water reactor and improve relations.

The major reason for such an affirmative assessment is that the two sides agreed to a North Korean proposal to hold "one day of talks" followed by a "two-day recess" (a change in their original plan to take a two-day recess after holding two days of talks), then resume talks on Monday.

A relevant government official pointed out that "the North Korean proposal for a recess after one day of talks was prompted by the necessity to readjust its position based on the results of those talks. This is a desirable indication."

However, government officials said that differences in views were so great between the two sides over the main points of dispute during the first day of talks that it is too early to evaluate the results of the talks.

Another government official presumed: "The talks which will be resumed early next week following North Korea's receipt of instructions from home will be an important turning point for finding a solution to the North Korean nuclear problem."

Influence of U.S.-DPRK Talks on N-S Ties

SK0608113294 Seoul HANGUK ILBO in Korean 6 Aug 94 p 5

[Article by Ko Tae-song: "The Government's Position on the Third Round of North Korean-U.S. Talks"]

[Text] The third round of North Korean-U.S. high-level talks resumed on 5 August. Both the ROK and U.S. Governments regard these talks as a "last chance" to resolve the North Korean nuclear issue. The government has maintained close consultative channels with the U.S. side by sending to Geneva its delegation led by Kim Sam-hun, ambassador in charge of the nuclear issue. On 5 August, it held a meeting of the Unification and Security Policy Coordination Council to finalize its position regarding the North Korean nuclear issue. In particular, the government is deeply interested in the North Korean-U.S. talks because the talks will signal if North Korea will change its nuclear policy under the Kim Chong-il system.

During an unofficial meeting with the U.S. delegation—led by Robert Gallucci, U.S. assistant secretary of State—to the North Korean-U.S. talks, the government delegation led by Ambassador Kim Sam-hun repeatedly stressed the importance of maintaining the ROK- U.S. cooperation system and delivered its position to the U.S. side regarding the North Korean nuclear issue. It has been learned that because the ROK and the United States have already formulated comprehensive and negotiating plans that will be proposed to North Korea during the talks, the two sides mainly discussed flexible strategies to deal with North Korea's future attitude.

Despite its flexible strategies to deal with North Korea, the government believes that it is very important to implement certain principles—such as taking steps regarding the nuclear fuel rods, formulating plans to support North Korea in building a light-water reactor, clarifying the transparency of North Korea's past nuclear activity, and deciding on a future direction of North-South relations.

Regarding the reprocessing of North Korea's nuclear fuel rods, which will be raised as a main agenda item during the North Korean- U.S. talks, the government has consistently maintained its position of "not allowing North Korea to reprocess the fuel rods." This is because the declaration of denuclerizing the Korean peninsula will be compromised if the United States allows North Korea to reprocess the fuel rods, making concessions to its allegation that nuclear safety is guaranteed.

Therefore, the government has delivered its position to the U.S. side that the issue of reprocessing the nuclear fuel rods is "an important issue that can never be conceded to North Korea." At the same time, it has reportedly closely discussed with the United States, Japan, China, and Russia plans to permanently destroy the fuel rods, or transfer them to a third country, or extend the period of their preservation. In an effort to achieve this, the government has asked the United Kingdom for technological advise regarding the extension of the preservation period of the fuel rods extracted from the graphite-moderate reactor. The government has also unofficially approached China and Russia regarding their willingness to accept the fuel rods.

Regarding North Korea's request for the construction of a light- water reactor in return for its freezing of nuclear development, the government has firmly maintained its position that it will support North Korea in building a "Korea-model reactor." The government has delivered the position to the U.S. side that it is willing to propose a "working-level meeting to discuss measures—including North-South direct talks—for supporting North Korea in building the light-water reactor" with the participation of the countries concerned if the issue of the light-water reactor is resolved during the Geneva talks between North Korea and the United States.

The government's will to verify the transparency of North Korea's past nuclear activity remains unchanged and firm since the North Korean nuclear issue was first raised as an international issue. The problem is how to resolve the issue. The government believes that the issue of verifying North Korea's past nuclear activity will be a last obstacle to seeking a thorough or comprehensive solution during the North Korean-U.S. talks.

The government has withdrawn the preconditions for the exchange of special envoys between the North and South. Since then, it has not linked North Korean-U.S. talks to North-South dialogue. The North Korean-U.S. talks are now considering the overall improvement of relations between North Korea and the United States. Therefore, in the course of these talks, special consideration must be given regarding North-South relations. In this respect, the government expects that the United

States will play a vital role in promoting North-South relations. Our government's traditional policy toward North Korea is to maintain balance between progress in North Korean- U.S. relations and progress in North-South relations. It is therefore imperative to resume North-South dialogue to completely resolve the North Korean nuclear issue.

Principle of N-S Summit 'Still Effective'

SK0608003894 Seoul YONHAP in English 0021 GMT 6 Aug 94

[Text] Washington, Aug. 5 (YONHAP)—Vice Unification Minister Song Yong-tae reaffirmed on Friday [5 August] that the principle of holding the inter-Korean summit talks is still effective despite the fluid political situation in North Korea.

At a speech addressed to an academic meeting here, Song said that there is no change in the South Korean Government's will to achieve peaceful national reunification despite the rapid changes in the political situations of North Korea.

"The basic framework of our unification policy will be maintained continuously with a view to improving the inter-Korean relations," he told the participants at the 10th academic meeting on unification in American region which opened Friday.

The vice minister forecast that North Korea is expected to maintain its existing systems and policies "at least for the time being" rather than seeking new changes.

Possibility of Early North-South Summit Denied

SK0708061194 Seoul KBS-1 Radio Network in Korean 2200 GMT 6 Aug 94

[KYODO/YONHAP from Moscow]

[Text] Sources in Kazakhstan revealed that the North Korean Ambassador to the Republic of Kazakhstan denied the possibility of a North-South summit being held in accordance with the previous agreement between the two sides.

In a meeting with reporters in Almaty on 4 August, Yi Kil-nam, North Korean ambassador to Kazakhstan, denounced the ROK for hindering the summit talks.

However, Ambassador Yi declined to comment on whether North Korea will continue rejecting the holding of a summit even if the ROK accepts certain conditions demanded by North Korea.

Meanwhile, diplomatic sources in Kazakhstan said it is likely North Korea attaches more importance to the third round of DPRK-U.S. high-level talks which resumed in Geneva on 5 August than to a North-South summit.

Senior WPK Official 'Exclusive' Interview

SK0708122594 Seoul MUNHWA ILBO in Korean 6 Aug 94 p 2

[Report on 'exclusive' interview with Kim Tae-chong, chief of the Northeast Asian Section of the International Department of the Workers' Party of Korea Central Committee, by Cho Yong in Kuala Lumpur, Malaysia on 5 August]

[Excerpts] The North Korean delegates who participated in "The First East Asian Next-Generation Politicians Conference" held in Kuala Lumpur, Malaysia were, at first, unwilling to associate with our side's delegates. As the delegates were lodging at the same hotel (the Pacific Hotel), they had increasing opportunities to run into each other at meal times and at meetings. This led to an easing of tension, which resulted in conversation.

In particular, Kim Tae-chong, head of the North Korean delegation and chief of the Northeast Asian Section of the International Department of the North Korean Workers' Party of Korea [WPK], did not hesitate to answer somewhat sensitive and difficult questions, an attitude not often seen from a senior party official. This gave me the impression that he has a firm position in the North Korean regime. In fact, Choe Song-ho, the North Korean acting ambassador to Malaysia who participated in the conference as the local North Korean delegate, admitted that Kim Tae-chong holds a senior position next to deputy director of the WPK International Department headed by Kim Yong-sun. On the way to the site of the welcoming performance for the delegates from all the participating countries on the evening of 5 August, I was able to have a 30-minute exclusive interview with Kim Tae-chong while sitting beside him in the shuttle bus.

Kim Tae-chong flatly denied the allegation by Mr. Kang Myong-to, son-in-law of North Korean Premier Kang Song-san, who recently defected to the South, that North Korea has five nuclear bombs. Kim Tae-chong commented with severe criticism that "after Premier Kang's daughter divorced Kang Myong-to several years ago, he committed a crime and was subjected to a 'labor indoctrination' penalty. After being released, he escaped to a foreign country." By saying so, he, as a senior North Korean official, admitted for the first time that Mr. Kang Myong-to was Premier Kang's son-in-law.

When I asked him: "Why do you continue to wear President Kim Il- song's badge now that he is dead. Do you think you ought to replace it with a Secretary Kim Chong-il badge?" he replied: "The dear leader Comrade Kim Chong-il is so artless and humble that he discourages any attempt that brings him to the fore." [passage omitted]

[Cho Yong] Do you think the issue of displaced families should be resolved separately from the pending political issues?

[Kim Tae-chong] The issue of displaced families is really a painful issue. In order to resolve the issue, however, military tension between the North and the South should first end. If this is agreed on between the North and the South, resolving the issue of displaced families will not be a difficult thing.

[Cho Yong] In the wake of the death of President Kim Il-song, there has been controversy in the South over "making a condolence call." No doubt, the generation that experienced the Korean war has special resentment against President Kim Il-song.

[Kim Tae-chong] It is a very regrettable thing. It is a traditional virtue in the Orient to express condolences during the mourning period for the deceased. The South side, which agreed with President Kim Il-song to hold top-level talks, refused to express condolences. Instead, it heightened tensions even further by issuing an class-A alert order against the North Korean people who were sunk in sorrow. We will not forget this for a very long time. [passage omitted] [end Kim Tae-chong]

When the shuttle bus arrived at the site of the performance, Kim Tae-chong asked me a question.

[Kim Tae-chong] Does the South side really intend to hold North-South top-level talks? President Kim Yong-sam's stance that North-South top-level talks should be discussed from the very beginning suggests that he is avoiding talks with the dear leader Comrade Kim Chong-il.

[Cho Yong] I do not agree. I understand that our government's position is that the principle on holding the summit talks remains valid. [end Cho Yong]

When I pressed him: "Does the North really intend to hold the inter-Korean top-level talks?" he stressed: "Our side notified the South that we are postponing the talks, not suspending the talks. This means that we wish to hold the talks."

DPRK 'Highly Likely' To Possess 3-4 Warheads

SK0708050294 Seoul CHOSON ILBO in Korean 7 Aug 94 p 1

[Report by Kyong Yong-won: "Possibility of North Korea's Extraction of Plutonium—As Revealed by Government Source"]

[Text] On 6 August, a high-ranking government official stated it is highly likely North Korea has extracted a sufficient amount of plutonium to manufacture three or four warheads, more than the one or two officially estimated by the ROK and the United States up to now.

The official revealed that North Korea suspended operation of its five-megawatt atomic reactor at Yongbyon for 71 days in 1989, for 30-odd days in 1990, and again for 50-odd days in 1991. Judging from this, it is estimated North Korea has extracted a total of 22 to 27 kilograms of plutonium (an amount equivalent to three or four atomic bombs such as those dropped on Hiroshima).

The operation of the five-megawatt nuclear reactor in Yongbyon was known to have been suspended only in 1989, making this the first disclosure of its suspension of operations in 1990 and 1991.

Another high-ranking government official stated: "The suspension of operations of its five-megawatt atomic reactor three times during 1989-1991 has been revealed by a U.S. intelligence satellite. However, U.S. intelligence authorities assess that the possibility of North Korea having replaced nuclear fuel rods and extracted plutonium when the operation of the reactor was suspended in 1990 and 1991 is very slim. Thus, there are differences in opinion between U.S. intelligence authorities and relevant ROK authorities."

DPRK Official Denies Possession of Warheads

SK0708060594 Seoul KBS-1 Radio Network in Korean 2200 GMT 6 Aug 94

[KYODO/YONHAP from Kuala Lumpur]

[Text] National Assemblyman Pak Chong-un of the Democratic Liberal Party, who is attending an East Asian youth leaders conference in Malaysia, stated that Kim Tae-chong, deputy director of the International Department of the North Korean Workers' Party, totally denied the allegation made by a North Korean defector claiming that North Korea has five nuclear weapons.

Deputy Director Kim Tae-chong said that defector Kang was divorced a long time ago, and thus his claim is not trustworthy; he also rejected the assumption that Kang's defection to South Korea would threaten the position of North Korean Premier Kang Song-san.

DPRK Said Trying To Come Out of Isolation

OW0808010894 Tokyo MAINICHI SHIMBUN in Japanese 6 Aug 94 Morning Edition p 6

[Interview with Pak Su-kil, director of South Korea's Diplomacy and Security Research Institute, by MAINICHI SHIMBUN reporter Hideo Usuki; place and date not given—first paragraph is MAINICHI introduction]

[Text] Seoul, 5 Aug—The DPRK (North Korea) has not formally announced its new leadership, but it appears certain that a new regime has taken root and Secretary Kim Chong-il is set to become general secretary. But will this successor regime take over Kim Il- song regime's policy lines as they stand? What will happen to the issue of nuclear weapons development? We put these questions and others to Pak Su-kil, director of South Korea's Diplomacy and Security Research Institute. Pak is a veteran diplomat who formerly served as minister in the

ROK Embassy in Washington, as ambassador to Canada, and as ambassador at South Korea's mission in Geneva.

[Usuki] The launch of the Kim Chong-il regime is being delayed. What is your view on that?

[Pak] Secretary Kim has in fact taken control of the party, government, and the armed forces. It can be said that he does not feel any need to hasten moves to get the positions of general secretary and president. A small number of people, meanwhile, believe Kim has not been able to establish his power base yet because of problems over how to treat the first generation revolutionaries [in the new regime], discord within the military, and because of his own health problems. As North Korea is not a transparent country, it is difficult to make an accurate assessment.

[Usuki] What kind of policy lines do you think the new regime will follow?

[Pak] I think it will take over Kim Il-song regime's basic domestic and foreign policies. It is difficult to think that a change in the leadership will bring a sharp change in policy. Once his power base is consolidated, I think adjustments will be made in several areas. The new regime might target, for example, the limited open economy to reconstruct national economy. It will probably carry out a Chinese-style opening up around the Tumen River (which borders China) and in Nampo (a city on the western coast). But the country has a problem in attracting foreign capital; it is questionable that the opening up will lead to promotion of the economy.

[Usuki] What do you expect to happen to foreign policies?

[Pak] North Korea has so far confronted the international community. As a result it has become economically isolated, and, for instance, cannot attract foreign capital. Before the death of President Kim, the country shifted its policy toward opening a dialogue, thanks to the mediation of former U.S. President Carter. I think the new regime will continue to try to get the country out of political isolation.

[Usuki] What is your prediction on the position the country will take on the issue of nuclear weapons development?

[Pak] The position taken in high-level talks with the United States will serve as an important barometer in determining its new foreign policies. My personal view is that North Korea will probably adopt a more cooperative than confrontational attitude given economic realities and its diplomatic isolation. I think North Korea will insist on the "one-package method" to resolve the nuclear issues and the issue of improving its relations with the United States. The country will, in the process, want to hold step- by-step consultations on each problem area as it works toward a solution. As far as the ROK Government is concerned, there is no change in its position that previous nuclear weapons development programs should be checked and arrangements made between South and North Korea to ensure thorough, mutual nuclear inspections.

[Usuki] What about the South-North Korea summit talks?

[Pak] The ROK Government's position is that "the principle of the South-North agreement on the summit meeting remains effective. There will be significance in simply holding the summit meeting. The nuclear issue will not be resolved immediately, but the summit could provide a decisive opportunity to resolve the question of mutual visits by family members living separately in South and North Korea, as well the issue of the economic exchanges. Much depends on the attitude of North Korea.

DPRK Official: 'No Problem' With Kim Chong-il

SK0508232694 Seoul KBS-1 Radio Network in Korean 2100 GMT 5 Aug 94

[Text] A cadre of the Workers' Party of North Korea has denied speculation that a power struggle is underway within the North Korean leadership regarding the question of succession following Kim Il-song's death.

Kim Tae-chong, a cadre of the International Department of the Workers' Party of North Korea, disclosed on 5 August that there is no problem with Kim Chong-il succeeding to the posts of president of the state and general secretary of the Workers' Party.

Kim Tae-chong, who is visiting Malaysia to attend the First East Asia's Next-Generation Politicians Conference, did not give any specific date, revealing only that there will be an official announcement about Kim Chong-il's succession to power.

'No Big Change' Seen in DPRK Hierarchy

SK0608090794 Seoul CHOSON ILBO in Korean 6 Aug 94 p 6

[Report by An Chang-hui]

[Text] No big change has been seen in North Korea's hierarchy since Kim Il-song's death one month ago. Looking at the hierarchy of the members of the State Funeral Committee, the list of the participants at the 19 July funeral service, and the list of participants at the 20 July memorial service, we can only see the emergence of Kim Song-ae; and elevation of some vice marshals, including Kim Kwang-chin, vice minister of the People's Armed Forces. In particular, there was no change in the hierarchy of the 13 members of the Political Bureau.

This notwithstanding, some officials have been seen engaged in notable activities in various events that were held during the funeral of Kim Il-song, attracting our attention. The most notable is Secretary Kim Yong-sun, who deals with affairs related to the South. Western observers first noticed Kim when he was observed to give his arm to the sobbing Kim Kyong-hui, Kim Chong-il's sister, who was mourning before Kim Il-song's bier on 11 July. This confirmed that he is a maternal uncle of Kim Chong-il.

He was also present on 20 July when Kim Chong-il meet with the general secretary of the Italian Institute of International Relations, the first foreigner Kim met since Kim Il-song's death. Generally, Hwang Chang-yop, secretary for international affairs, would likely be present at such a meeting. To the contrary, Kim Yong-sun took Hwang's place, supporting speculation that he may now be playing the role of a "right arm" to Kim Chong-il.

Besides Kim Yong-sun, officials to be noted are Kye Ung-tae, secretary for public security; Kim Yong-nam, vice premier and foreign minister; and Kim Kwang-chin, vice minister of the People's Armed Forces.

Kye Ung-tae served as a master of ceremonies at the memorial service for Kim Il-song and delivered a report speech at "the central report meeting marking the 41st anniversary of war victory," attracting increased attention to his future role. Furthermore, Kye is enjoying the absolute confidence of Kim Chong-il to the extent that North Korean people are even saying: "Had it not been for Kye Ung-tae, it would have been difficult to establish Kim Chong-il's succession."

In addition to delivering memorial speeches for Kim Il-song, it is speculated that Kim Yong-nam and Kim Kwang-chin will play key roles in the Kim Chong-il system in view of their past "status." It is valuable to take note of Kim Yong-nam's future role as he is enjoying Kim Chong-il's confidence due to his outstanding ability in behind-closed-doors diplomacy and due to the fact that he was a classmate of Vice President Kim Yong-chu. Kim Kwang-chin has been known to be one of the few confidants of Kim Chong-il within the North Korean military. It has even been speculated for a long time that he would replace Choe Kwang as the chief of general staff when the Kim Chong-il system is inaugurated.

Western Source on Kim Chong-il's Health Problems

SK0808115694 Seoul YONHAP in English 1147 GMT 8 Aug 94

[Text] Beijing, Aug. 8 (YONHAP)—Kim Chong-il's heart and stomach diseases have deteriorated so sharply following Kim Il-song's death that it is almost impossible for him to carry on his routine duties, a western source here said on Monday [8 August].

The source well versed with North Korean affairs said he had obtained the information from a senior North Korean intelligence officer whom he met in secrecy in the recent past.

"This North Korean official is at a post so high that he can grasp the movement of Kim Chong-il and all other top-echelon North Korean leaders," said the source adding, however, that he could not identify the official for his personal safety.

The source said the North Korean official also told him that Kim Chong-il will rise to the top of power but his status would be rather symbolic with all actual state affairs being handled by party and administration offices under their own responsibility.

Western observers here say that this means Kim Chong-il would not be able to seize power fully due to health and other problems while North Korea would be run under a collective leadership system.

"This in turn would mean that the Kim Chong-il age would be short-lived in the end," one of the observers said.

The beefed-up power of party and administration offices could also signify that North Korea would adopt a China-style open-door policy in efforts to stride over their serious economic difficulties and water down the people's growing discontent, the observers added.

PRC Source: Kim Chong-il's Position 'Symbolic'

SK0808103594 Seoul KBS-1 Radio Network in Korean 1010 GMT 8 Aug 94

[Text] On 8 August the YONHAP News Agency quoted a Beijing source as saying Kim Chong-il's heart disease and gastroenteric disorder drastically worsened due to his overworking following the death of Kim Il-song, and that it is difficult for him to carry out his normal duties. According to YONHAP, the well-informed source on North Korean affairs stated Kim Chong-il will ascend to the highest position of power, but unlike the Kim Il-song regime, his position will be symbolic, and all state affairs will actually be carried out by the party and government organizations.

DPRK Defector Interviewed on Political Camps

SK0608102494 Seoul CHOSON ILBO in Korean 6 Aug 94 p 5

[Interview with North Korean defector An Hyok by reporter Choe U-chol; place and date not given—first paragraph CHOSON ILBO introduction]

[Text] An Hyok, 25, who was confined in Yodok Camp, North Korea, and defected to the ROK through China in August 1992, has vividly testified to the background of the relocation of Sunghori Camp, which was recently exposed by Amnesty International, and to North Korea's treatment of political prisoners.

[Choe U-chol] Why did North Korea move Sunghori Camp?

[An Hyok] North Korean leaders feared that the large camp, located only 70 ri from Pyongyang, would be detected by foreign reporters who frequently visit Pyongyang to cover the nuclear issue. When a riot took place at Onsong Camp, located at the northern end of North Hamgyong Province, North Korea relocated Sunghori Camp under tight secrecy.

[Choe U-chol] Why did the riot take place at Onsong Camp?

[An Hyok] In early 1991, prisoners at Onsong Camp lost patience with the oppression and their families caused a riot with guns they snatched from guards, shouting: "Let us, both you guards and us, all die." After several days of confrontation between the two sides, the North Korean authorities mobilized troops to ferret out the leaders of the riot and massacred all of them. Then, they transported the wives of the killed to Yodok Camp, located at the southern end of South Hamgyong Province. Meanwhile, Onsong Camp was closed in March 1991.

[Choe U-chol] How do North Korean camps operate?

[An Hyok] South Korean defectors and those who have been abducted to the North are unconditionally sent to Maram Guest House [chodaeso] under the control of the Ministry of Public Security to be inspected prior to being confined in a camp. Those who are determined to be useful are sent to Pyongyang. South Korean defectors with no ideological problems are sent to Hongwon Village near the seashore in the middle of South Hamgyong Province. Those people who have defected from South Korea or who have been abducted to the North with defiant attitudes or who are reeking with the South Korean style are sent to Sunghori Camp. No one can escape from Sunghori Camp without a pardon granted by Kim Chong-il.

[Choe U-chol] Were there only South Korean defectors and people who had been abducted to the North in Sunghori Camp?

[An Hyok] As is well known, Sunghori Camp mainly holds South Korean defectors, those who have been abducted to the North, and Koreans living in Japan who have been abducted. I have heard that occasionally politicians are also held there. Many South Korean women, who have been abducted to the North while they were in Japan looking for a job, are confined at Sunghori Camp. As far as I know, some of these women have been dispatched back to South Korea, where they are working as barmaids.

[Choe U-chol] Please tell us more about Hongwon Village.

[An Hyok] South Korean defectors live together in Hongwon Village. Those who have been determined to be neither useful nor opposed to the North Korean system are gathered there. Of course, the village is under strict supervision. Before I defected to the South, I heard that three people running away from the village to the border had been caught and put to death.

[Choe U-chol] How many guest houses are there under the Ministry of Public Security of North Korea?

[An Hyok] In addition to Maram Guest House located 15 km to the southeast of Pyongyang, there are Sunghori Guest House and Potonggang Guest House, which is near Pyongyang. Sunghori Guest House is near Sunghori Camp, and it mainly holds cadres' children who have caused trouble. A son of Vice President Yi Chong-ok was once held in this guest house. When he caused a stir with a certain remark while he was studying in the former Soviet Union, he was confined in Sunghori Guest House by his father, who wanted his son to be reeducated there. Verbal reactionaries (those who made mistakes in their statements) are inspected at Potonggang Guest House. Figures who belong to the upper class are separated there and are transported to Kaechon Camp located at the northern end of South Pyongan Province. When all members of a family are confined, they are sent to Onsong Camp in North Hamgyong Province or to Toksong Camp in the north of South Hamgyong Province.

[Choe U-chol] How large is Maram Guest House? Whom did you meet there?

[An Hyok] Maram Guest House was always crowded. It had seven dorms, and there were about 50 prisoners. Prisoners confined in this guest house would sit down all day. In this guest house, I met Kim Chong-pil, who had been abducted to the North in March 1987 when he was working at the Daewoo Construction office in Libya. Kim was about 31 at that time. He was from an airborne battalion and was always shouting to be let go to return to Seoul. When a security guard hit him, he responded at once. He attempted suicide by hanging himself with a rope made of his clothes, but failed. He was taken somewhere else in October 1987. I also met Kim Song-pae, 56, who had run a taekwondo school in Seoul; Mun Yong-pin, 62, a businessman abducted to the North; Chon Yong-tok, 42, who was abducted to the North while engaging in trade business; Kim Chol-sung, 30; and Kim Kwang-hyon, 33.

DPRK Logger Defects Via Third Country Boat

SK0808012294 Seoul HANGUK ILBO in Korean 8 Aug 94 p 1

[Text] On 7 August, the Agency for National Security Planning [NSP] announced that An Chung-hak (36), a North Korean who worked as a lumberjack at a North Korean logging site in Siberia, secretly boarded a boat of a third country and defected to the ROK after arriving in Pusan.

The NSP said that An Chung-hak was found faint at the bottom of the boat by workers who were unloading cargo. He is now undergoing medical treatment. The

NSP announced that it is investigating details of the motivation and background to his defection, as well as his identity.

North Refuses To Accept Message on Officers

SK0608064594 Seoul YONHAP in English 0625 GMT 6 Aug 94

[Text] Seoul, Aug. 6 (YONHAP)—North Korea refused to accept a South Korean telephone message, perhaps explained by recent controversy over its human rights conditions, Unification Board officials said Saturday [6 August].

Seoul tried to notify Pyongyang that it is replacing two of its liaison officers at the inter-Korean dialogue office but North Korea declined to take the message, officials said.

North Korea has only said it wants to deal with it later without giving any reasons, they said.

"North Korea refused to accept our messages before when our fishing boat was kidnapped into the North," said one official, "this time, it may be a temporary action to avoid the negative development caused by talks over its human rights conditions."

DPRK Rejects Repatriation of South 'Abductees'

SK0808074594 Seoul YONHAP in English 0730 GMT 8 Aug 94

[Text] Seoul, August 8 (YONHAP)—North Korea, indirectly admitting the detention in the North of South Korean abductees including former Sudo Girls' High School teacher Ko Sang-mun, Monday [8 August] virtually rejected the South's request for their repatriation.

This was disclosed in a report Rep. Pak Chong-ung, Democratic Liberal Party, now attending the First East Asia Next Generation Politicians Conference in Malaysia, filed with the ruling party headquarters here by telephone Monday.

In conversations with North Korean lawmakers attending the meeting, Rep. Pak reminded them of the return to the North last year of Yi In-mo on humanitarian grounds, and requested that North Korea send back to the South Southerners abducted to the North and detained there. Guerrilla-turned-spy Yi In-mo had completed his prison term before being repatriated to North Korea.

In response, according to the report, chief North Korean delegate Kim Tae-chong cited long-time North Korean prisoners in the South who have refused to switch their ideological allegiance such as Ham Se-hwan and Kim In-so and then hinted an idea of exchanging them with the South Korean abductees. "Isn't it reasonable to resolve a 10-year-old issue only after a 40-year-old matter has been settled?" Kim said.

The 10-year-old issue refers to South Korean abductees in the North, while the 40-year-long one long-time North Korean prisoners in the South.

Asked if Ko Sang-mun and other South Korean abductees are still alive in the North, Kim replied he had never heard of them. He, however, dropped a hint that their exchange with North Korean spies serving long prison terms in the South could be negotiated.

WPK Official: DPRK To Adopt Capitalism

SK0808090894 Seoul MUNHWA ILBO in Korean 8 Aug 94 p 1

[Report by Cho Yong from Langkawi, Malaysia]

[Text] It was confirmed on 8 August that North Korea recently decided to convert its overall trade structure from a socialist to a capitalist system, and is now accelerating preparatory works for this conversion.

The North Korean policy to shift its trade structure appears to be the kernel of its policy for external economic opening up designed to overcome economic difficulty, along with with the establishment of a special economic zone.

Reorganization of the trade structure means turning the past system based on barter into a method by which the settlement of payment is based on cash. Therefore, this can be considered an epoch-making change in the formula and scale of trade. It is highly likely this change will definitely lead to full-scale opening up.

This was revealed during talks between Kim Tae-chong, head of the Northeast Asia section—a core official in the North Korean Workers' Party [WPK] who is now attending "the First East Asia Next-Generation Politicians Conference"—and Pak Chong-ung, National Assemblyman from the Democratic Liberal Party who is our side's delegate. This was also revealed during an exclusive interview with this newspaper's reporter.

Section Chief Kim Tae-chong stressed that "since the Soviet Union and all socialist countries in East Europe have collapsed, North Korea has no other choice but to designate trade partners among capitalist countries. This being the situation, North Korea's key trade officials decided to totally change the method of trade with foreign countries, so our trade system is changing remarkably from in the past." Kim Tae-chong, who is leading the North Korean delegation to this conference, added: "Past trade was carried out with socialist states mainly by barter. However, we will adopt a cash settlement and credit payment system so trade with capitalist countries can be actively expanded."

He also stated: "In order to attract foreign tourists to Mt. Kumgang, a sightseeing spot favored by nature, our government is studying a plan to designate the area around Mt. Kumgang a visa-free 'special tourist district'." He explained: "Since Myongsa Simni seashore was recently polluted by waste water discharged from a nearby plant, a waste water purification facility was installed in the plant, and part of the beach was closed."

Kim Tae-chong is known as a responsible working-level diplomatic official for Southeast Asia, an area to which North Korea has recently attached an increasing importance for trade. Thus, his remarks attract attention.

DPRK 'Promoting' 14 Projects in Najin-Sonbong

SK0808015194 Seoul YONHAP in English 0100 GMT 8 Aug 94

[Text] Seoul, August 8 (YONHAP)—North Korea is promoting 14 projects this year in the Najin-Sonbong free economic and trade zone, it was learned here Monday.

The 14 projects include the expansion of Hoeryong-Chongjin railway, electrification of Hoeryong-Haksan railway, and construction of a telecommunication center, microwave relay facilities and a reservoir at Muchang, informed sources said.

Najin-Sonbong city and port construction offices are playing the leading role in carrying out the projects, the sources said.

North Korean authorities have recently claimed that foreign investors are actively taking part in the telecommunication center project, part of Najin port expansion project and airport construction, and that foreign enterprisers wishing to invest are frequently visiting the trade zone, the sources said.

In particular, Hong Kong, Singapore, Germany, Switzerland, Portugal and China are greatly interested in investing in Najin- Sonbong free economic and trade zone, while British and Japanese enterprisers are planning to invest there, the sources quoted the North as having claimed.

North Korea declared in December 1991 an area of 621 square kilometers covering part of Najin city and Sonbong county, North Hamgyong Province, as a free economic and trade zone.

Box Containing DPRK Training Manual Found

SK0608084494 Seoul SEOUL SINMUN in Korean 6 Aug 94 p 23

[Text] At around 0550 [0850 GMT] on the afternoon of 5 August, a khaki-colored wooden box and a wooden boat were found lying on the silt at a point 1.5 km north of the Fishing Reporting Office in Wolsonpo, Sangyong-li, Kyodong-myon, Kanghwa County, Kyonggi Province. Their discovery was reported to a nearby military unit by Mr. Chang Myong-ho, 29, who lives at #43-11, Chaktong, Ojong-ku, Puchon, Kyonggi Province. He was fishing in the area.

The military and police confirmed that they found inside the wooden box (60 cm x 45 cm x 45 cm) a 50-kg device used for shooting training. The wooden boat (3.5 m long, 1 m wide, and 50 cm high) was found lying upside down.

Also found inside the wooden box was a circuitry manual of the device for shooting training, a manual of the specifications of the device, and a notebook manual with "one-a-match-for-a hundred" written on the cover.

The military and police are speculating that the wooden box and boat washed ashore as a result of heavy rain on the morning of 4 August in the North Korean area as a large amount of logs and other waste was also washed ashore.

Embassy Denies Rumors on Russia's Debt Repayment

SK0608020494 Seoul HANGUK ILBO in Korean 6 Aug 94 p 2

[By correspondent Yi Chang-hun from Moscow]

[Text] On 5 August, the South Korean Embassy in Russia denied reports that the ROK will receive part of Russia's debt with Russian- made weapons.

A high-ranking official in the South Korean Embassy revealed on 5 August: "We are examining Russia's proposal of wanting to repay its debt with weapons, but no decision has been made on the amount of repayment and on what kind of weapons will be purchased."

He added: "We requested Russia repay part of its debt with raw material. Since Russia is requesting to write off its debt with weapons, however, it is necessary to work out the differences between the two sides."

Foreign Workers Hide To Avoid Poor Conditions

SK0608071794 Seoul YONHAP in English 0516 GMT 6 Aug 94

[Text] Seoul, Aug. 6 (YONHAP)—Some of foreign workers employed at local firms as trainees have left their work places and gone into hiding apparently because of poor working conditions, according to the Ministry of Justice Saturday [6 August].

Ministry statistics show that about 200 of 12,500 alien workers who have been allowed to enter the country since last year have deserted their jobs and went into hiding without reporting to relevant immigration authorities.

Three Filipinos disappeared at their workplaces in Inchon and Kosan Counties, North Chunchong Province, last April and 20 other Filipinos at a fabrics company in Chongju Industrial Complex, North Chungchong Province, followed suit in May and July, according to the ministry statistics.

Ministry officials attributed the disappearances to poor working conditions.

Professors' Case Raises Academic Freedom Issue

SK0608072894 Seoul THE KOREA HERALD in English 6 Aug 94 p 3

[Text] An ideological dispute over the freedom of academic thoughts and studies has been intensifying between the law-enforcement authorities and the academic circles.

The case involving the nine Kyongsang National University professors accused of expressing support for communism in a textbook co-written by them is starting to assume a more serious aspect as the weekend approaches.

The prosecution has vowed to take strong legal action against the co-authors, causing vigorous protests from professors at other universities.

In addition, representatives from seven academic and civic groups, meeting in southern Seoul yesterday afternoon, decided to organize a joint committee to fight against the prosecution.

The Justice Ministry yesterday banned the nine professors who co- wrote the allegedly pro-Communist textbook, "Understanding of Korean Society," from leaving the country at the request of the prosecution.

The ministry also imposed the ban on Yim Kyong-suk, 38, owner of Chiyi Publishing Co., which printed the controversial textbook.

The Changwon District Prosecutor's Office and the Kyongnam Provincial Police Agency, who are jointly investigating the case, took the action as four of the nine co-authors summoned to appear before the prosecution for questioning failed to show up until late yesterday afternoon.

Prosecution investigators had summoned Yim, Prof. Kim Chun-hyong of the university's social education department, and two other professors yesterday.

Prof. Song Ki-ho, 40, of the economics department, and two others have been asked to appear before the prosecution today, and Prof. Chang Sang-hwan, 44, of the economics department and two others tomorrow.

The Prosecutor General's Office [PGO] said Wednesday [3 August] that it would take legal action against the nine professors on charges of violating the National Security Law after having concluded that the textbook coauthored by them apparently supports the Communist theories of class struggle and a revolution by violence.

However, the professors, holding a joint news conference at the state-run university's campus in Chinju, South Kyongsang Province, Thursday, made it clear that they would resist the prosecution's summons.

The professors complained that by making public suspected matters and the names of the professors involved at the stage of a preliminary investigation, the prosecution has seriously harmed the honor of the individuals involved and the organization they belong to.

The book at issue is nothing more than a compilation of diverse study achievements which have been widely discussed in the academic circles, one of the co-authors said.

The academic achievements of some professors should not become the target of legal judgment in a liberal democratic country supposed to guarantee the freedom of studies, he said.

The prosecution issued a second summons to Yim, Prof Kim, and two others.

If they continue to ignore the summons, prosecutors warned, the prosecution will then have to bring them in by force.

Yesterday's exit ban was inevitable as one of the nine men, Prof. Paek Chwa-hom of the law department, is already staying abroad (in India), and it is possible that the others will leave the country this month on the pretext of overseas study, a PGO official said.

The prosecution has also decided to look into whether the professors have received funds from North Korea since prosecutors judged that remarks made by Seoul's Sogang University President Pak Hong are reliable, the official said.

Pak recently caused a sensation by charging that a South Korean professor was invited to North Korea when he was a college student and even received a scholarship from Pyongyang.

Meanwhile, a professors' association came out firmly in support of the accused Kyongsang University professors.

The National Council of Professors for Democratization issued a statement, saying in part: "We have decided to jointly cope with the matter as the prosecution probe is highly prone to infringe on the freedom of academic studies and the right to teach."

The council vowed to resolutely deal with the case by mobilizing all the ability of its members "until the freedom of academic thoughts and studies is restored."

Reaction to An Pyong-hwa Graft Scandal Reported

Politicians 'Increasingly Concerned'

SK0808082894 Seoul YONHAP in English 0811 GMT 8 Aug 94

[Text] Seoul, Aug. 8 (YONHAP)—As the graft scandal involving former president An Pyong-hwa of Korea Electric Power Corp. (KEPCO) is swelling, political circles are increasingly concerned about its possible impact on the political community, as well as about its background.

The ruling Democratic Liberal Party (DLP) is worried about the possibility that some key members of the No Tae-u administration will be implicated, because An, having served as trade and industry minister under No, was close to those key members of the No administration.

The opposition Democratic Party (DP) is paying attention to the fact that An was arrested in the wake of the DLP's defeat in the recent parliamentary by-elections, while calling for thorough investigations into the scandal's background and relations with key members of the No administration.

And some politicians, focusing their attention on An's relationship with former Rep. Pak Chol-on who was one of the few strongmen under No, are concerned about the possibility that the implication of Daewoo Chairman Kim U-chung and Dong-ah Chairman Choe Won-sok in the scandal will affect the Kim Yong-sam administration's policy toward business conglomerates.

The DP is taking a wait-and-see attitude, while paying keen attention to how the prosecution's probe of the scandal is proceeding, especially the investigations into the scandal's background.

DP spokesman Pak Chi-won said Monday [8 August] that An's taking a bribe of 200 million won each from Daewoo's Kim and Dong- ah's Choe was one of those graft scandals which must be done away with to realize economic justice in this society.

He then urged the government to dig up the scandal's every truth through a thorough investigation in an attempt to rectify all the past wrongdoings and reform business conglomerates.

But some DP lawmakers suspect that An took the bribes on the strength of his political connections with the No administration.

One of them said, "I feel the revelation of the scandal at this point of time appears to be aiming at the political forces of the Fifth and Sixth Republics who are said to be moving to form a new political party.

Rep. Kang Chang-song said, "The atomic power plant project which provided Mr. An with an opportunity of taking bribes from business tycoons is one of the typical projects suspected of being ridden by scandals under the No administration, along with the Seoul-Pusan high-speed railway project, the Yongjong-to new airport project, the second mobile telecommunications project and the Yulgok military modernization project. The government should make the on-going investigation of the atomic power plant scandal an opportunity of shedding light on all the misdeeds during the Fifth and Sixth Republics."

Rep. Pak Kwang-tae, noting the parliamentary Trade, Industry and Energy Committee failed to summon An for questioning about the irregularities related to the atomic power plant project last year because he was then travelling abroad, said, "The belated revelation of atomic power plant project-related irregularities raises suspicion that the project was ridden by big scandals in view of its enormous costs."

Some quarters of the ruling DLP are giving importance to the fact that the graft scandal has surfaced now, though it occurred during the Sixth Republic.

An was a man of former Chairman Pak Tae-chun of Pohang Iron and Steel Co. and close to such key economic policymakers of the Sixth Republic as Kum Chin-ho, Kim Chong-in, Yi Won-cho and Yi Pong-so.

He is also known to have maintained close relations with former Rep. Pak Chol-on who wielded power as the "crown prince" during the No Tae-u's Sixth Republic.

But DLP Secretary-General Mun Chong-su, being alerted for any political repercussions of the scandal, said the scandal would not have any big political impact.

But the Democratic Justice Faction of the DLP is worried that the scandal will provide another opportunity of purge of its members. One of its members said he is concerned about the possibility of implicating some key members of the Sixth Republic in the scandal because "I think Mr. An must have taken the bribes not only for himself but also for others."

Former President No Tae-u's close associates appear to be paying keen attention to the scandal because it took place during the No administration and because it begins to cause political repercussions.

One of them said, "We have nothing to comment on the scandal as it now is under the prosecution's investigation. We're just waiting for the investigation results.

"Whenever there arises a big scandal, there also rise rumors of our involvement in the scandal. Everything will be made known when the investigation is completed."

But they appear to be perplexed with the scandal because business conglomerates are involved and because rumors have it that the conglomerates bribed not only An but also key members of No's Sixth Republic.

Businesses React to Investigations

SK0808014194 Seoul THE KOREA TIMES in English 8 Aug 94 p 8

[By staff reporter Kim Chang-yong: "Business Circles Fall Scapegoat to Politics"]

[Text] Business circles, frightened by prosecutors' moves to investigate some top entrepreneurs on bribery charges, think that the Kim Yong-sam administration is going to make well-known businessmen victims again in its attempt to avert public attention from political issues and lift its approval rate.

"It appears the administration is going to hold a kangaroo court for us to slip out of a political setback just as it did after its inaugurating last year," said one official of the Federation of Korean Industries [FKI], an interest group of large companies.

Chaebol owners have been made popular scapegoats at times of political problems since the Pak Chong-hui regime in the 1960s and until very recently Hyundai Group founder Chong Chu-yong had been a good target for bashing. Despite their tremendous contribution to economic growth, family-run chaebol groups are not esteemed by many people.

Immediately after President Kim's multifactional Democratic Liberal Party [DLP] suffered a humiliating defeat in the just- ended by-elections, prosecutors flexed their muscles regarding an old rumor bidders had bribed An Pyong-hwa, former president of Korea Electric Power Corp. (KEPCO). [sentence as published]

An, now under arrest in connection with another bribery case, confessed to prosecutors he had received 200 million won each from chairmen Kim U-chung of the Daewoo Group and Choe Won-sok of the Dong-Ah Construction Group in 1991 in return for orders which An's state-run corporation placed with their construction arms.

Reports have it that Choe admitted An's confession was true in a clandestine probe last weekend. Kim U-chung will be celled in by prosecutors for questioning on his return from Vietnam, sources said.

Dong-Ah Construction Co., the mother firm of the Dong-Ah Group, was awarded civil engineering orders for a power generation station in Seoul's new satellite city of Ilsan and for the Ulchin, Kyongsangpuk-to, nuclear power stations Nos. 3 and 4 in 1991 when An was KEPCO head. The orders were worth a combined 300 billion won.

Daewoo Corp. was also given orders for main facilities for the Wolsong, Kyongsangpuk-to, nuclear power stations Nos. 3 and 4 and civil engineering work for the Hadong, Kyongsangnam-to, thermal power stations Nos. 1 and 2 around the same time.

Informed sources say it is sort of an "open secret" that successful bidders give hundreds of millions of won to orderers in kickbacks or rebates.

Based on their own information, and tops and complaints from failed competitors, the law enforcement authorities launched a massive investigation of the past administration's procurement procedures soon after Kim took office as president in February 1993.

An, who built up his career at the state-financed Pohang Iron and Steel Co. (POSCO) and served as Former President No Tae-u's first trade-industry minister at then POSCO chairman Pak Tae-chun's recommendation, was in the bull's eye of the investigation.

His mentor Pak is in self-imposed exile in Japan following a revolt in the DLP where he represented No's largest faction as co- chairman in bitter rivalry with Kim Yong-sam, executive chairman and presidential candidate.

Extensive scrutiny by Chongwadae, prosecutors and police suspended An's sudden departure for the United States in May last year, two months after his dismissal from the KEPCO post.

The powerful Board of Audit and Inspection also examined KEPCO's orders for two months but found no clear evidence of bribery. It ended its examination only with the statement that the government budget watchdog would resume its comprehensive inspection during the latter half as it required "very specialized and technical knowledge."

An "smuggled" himself into the country through the resort island province of Cheju last April and has thereafter been chased by investigators, according to prosecution sources.

There is the likelihood that the prosecution action may send business quarters into a far-reaching whirl.

"We wonder why the administration is taking issue with this old case at his post when the economy is in an upswing after a long downturn," said an FKI executive. "We hope that there is no political motive behind the investigation."

For four years from January 1989 when An led KEPCO, the monopolizing electricity supplier signed contracts for five nuclear power stations worth about 10 billion dollars with local and foreign bidders, as well as smaller public works.

Contractors included Hyundai, Daewoo, Hanjoong, Daelim, Dong-Ah Construction, Westinghouse of the United States and Framatome of France.

Competition had been very tough on the domestic scene because Hyundai Construction had long dominated the civil engineering market for nuclear power stations with its superior records and bills had been settled immediately, business sources said.

The investigation has already chilled the business scene with groups involved in it directly or not are all very sensitive to the slightest move of prosecutors.

"We feel a cold wave spreading over the sultry summer days," said one official at Hyundai, relieved only recently of a year of sanctions for its honorary chairman Chong's political challenge to Kim Yong-sam.

On being inaugurated one and a half years ago, the administration tamed leading businessmen through a series of sticks and carrots offered to them. For one thing, flimsy construction in infrastructure projects put several businessmen including vice chairman of the Lucky-Goldstar Group into jail.

The political atmosphere still has a grave influence on business activity in the nation as the government maintains a firm grip on all banks and other financial institutions.

Seoul 'Might Reconsider' Interfering in Strike

SK0808083994 Seoul YONHAP in English 0820 GMT 8 Aug 94

[Text] Seoul, Aug. 8 (YONHAP)—The government, which has maintained a "noninterference" policy in the prolonged labor disputes at the nation's largest shipyard, might reconsider the policy if the labor and management of the shipyard failed to produce any signs of settlement to the dispute by the weekend, days after the pay-day of the shipyard, according to government sources Monday [8 August].

Soon after the pay-day, which falls on Wednesday, of Hyundai Heavy Industries Co., suffering from a 20-day lockout and a 46-day strike as of Monday, concerned government agencies will hold a meeting to decide whether they would have to maintain the noninterference policy or use police force to end the protracted disputes, said the sources.

A meeting of ministers of labor, trade, industry and energy, home affairs and justice and senior presidential secretaries could be held around the weekend, said the sources.

"We expect unionists at the Hyundai Heavy Industries Co. to create an atmosphere in which they want an end to the strike in defiance to the union leadership after they received drastically reduced wages for July in accordance with the 'no-work-no-wage' principle," said an official of the Ministry of Labor.

"But if the Hyundai unionists fail to express their dissatisfaction with the union leadership, it would be difficult for the labor and management of Hyundai to reach a settlement on their own," said the official. "In that case, the government will have to come up with measures at the government level to settle the dispute."

The government has abstained from meddling in the labor disputes at the Hyundai Heavy Industries Co. in an effort to give the labor and management of Hyundai chances to root out the chronic labor disputes for good by settling the disputes on their own.

Some government officials and industry watchers, however, have maintained that it's the right time for the government to interfere in the dispute by invoking its right to urgently coordinate the dispute in accordance with labor laws, insisting the chronic disputes at the Hyundai shipyard, which have been routinely embroiled in labor disputes since 1987, cannot be solved by the self-reliant efforts of the labor and management alone.

The Hyundai management, meanwhile, announced that the average wage of unionists for July will be just about 490,000 won, less than half of the normal wage of about 1,140,000 won in accordance with the no-work-no-wage principle.

The union leadership and about 5,000 unionists who actively took part in the strike will not be paid at all, said the management.

Hyundai suffered losses of 400 billion won in sales and 300 million dollars in exports from the prolonged labor dispute which started June 24 this year, said the Hyundai management. That means the labor dispute caused the shipyard 13 billion won of loss everyday.

About 1,500 firms supplying various products to the Hyundai shipyard have also suffered more than 100 billion won of loss so far by the Hyundai dispute and the loss is growing to 4 billion won per day, according to the Hyundai management.

* Kim Yong-sam's Chaebol Policies Criticized

942C0162C Seoul CHUGAN MAEGYONG in Korean 18 Jun 94 p 16-18

[By reporter Kim Se-hyong]

[Text] There seems to be no principle whatsoever linking the "incidents" which have been unfolding like a panorama beginning not long ago: the second mobile-phone industry selection, Samsung's announcement of its move into the passenger-car market, the interview with Hyundai Group Honorary President Chong Chu-yong before he left country, and so on. All have taken place in barely the last six months. The Chong interview took place only last week.

It is said the administration has no principles in its handling of "incidents." To put it another way, the transparency of the civilian administration's chaebol policy is suspect.

The first conglomerate policy set out by the civilian government was "industry specialization." This was based on the idea that there was no other policy for efficiently redistributing limited national financial resources.

However, the concept of having chaebols participate in the privatization of pubic enterprises, such as Samsung's entering the passenger-car market, the selection of an enterprise for the communications industry, and the gas works soon to become an issue, is inconsistent with industry specialization. Neither has there been a good explanation for the administration's application of non-transparent sanctions against specific chaebol even as, after the Uruguay Round, it promises to relax restrictions in order to proclaim internationalization and globalization.

To the question, "Are you going to give up your position as honorary president?" Chong Chu-yong responded, "That's the first I've heard of that." To this, the Blue House official questioning him countered, "If that's the way we're going to do things, then what is the point in having an interview?" Reasoning backward from these and other statements, one gets the strong impression of scripted dialog. Even after giving cake (authorization to enter new industries, etc.) to specified chaebol and cutting off the financing pipeline to others, there are some administration officials who calmly say, "We haven't regulated anything."

As if the policy on small and medium business seemed to have priority early after the civilian administration took office, many questions are being raised recently about the "disappearance of a conglomerate-oriented small- and medium-business policy." What actions are really being suggested?

Proceeding now to the main issue, let us take a closer look at what the civilian administration, which had loudly proclaimed the "competitive era of reform," is thinking of late concerning the chaebols, and at what "carrots and sticks" it is using.

"Second Honeymoon," Chaebol Renaissance

"We are proposing that regulation be relaxed to the greatest extent possible as we enter an era of unlimited competition with the birth of the World Trade Organization system. We can monitor the alleviation of the concentration of economic power through the Fair Trade Act." Frankly stated, this is the core of the economic team's view of the chaebols.

In other words, their basic concept is to release the chains binding the chaebol, allowing them to conduct their business freely. "We will continue to relax regulations until business feels it is enough," said President Kim Yong-sam in a meeting with the heads of 30 groups early this year. He then gave them a handsome "present," saying, "We will boldly commit executive power for the solution of illegal labor-management disputes."

Thus, we see the appearance in large numbers of terms like "second honeymoon" and "chaebol renaissance." Naturally, angry words over being mistreated are coming from the other side of the coin, small and medium business. Hence, lately we hear economists telling us the conglomerate policy is the only one that will work, that overall the chaebol policy has retreated.

To get to the root of the present administration's chaebol policy, let us take a look at the chapter entitled, "Alleviation of the Concentration of Economic Power," in the New Economy Five-Year Plan. In the New Economy textbook, the following is written in a very terse style: "Induce the establishment of a specialized management system in business, promote the transition of domestic markets to a competition-based system, and prevent the abuses of monopoly by effectively carrying out a policy of suppressing the concentration of economic power."

Five or six items are listed as concrete means of realizing this:

- reduce mutual guaranteeing of obligations between chaebol;
- limit total affiliate investment;
- increase monitoring of improper inside trade;
- rationalize designated standards on large-scale business groups;
- regulate market-dominating businesses.

No reduction of owner shares or concrete means of management specialization are mentioned here.

Originally, the Seventh Economic and Social Development Five-Year Plan called for at least the five largest chaebol to publish all their affiliates. This has been acceded to: "Enterprises meeting publication conditions will publicize all afiliates first." In reality, the outline and practice of the plan are not matching up. For example, the applications of four Hyundai Group affiliates for over-the-counter market registration and publication were not accepted.

About the middle of last year, President Kim dropped a line aimed at the chaebol heads, "Wouldn't having about 5 percent of the stock be enough?" Some chaebol even diversified their stocks voluntarily. There is a high probability that this also was done out of fear at a time when President Kim was actually protecting only small- and medium-sized businesses. Later, not an owner could be found saying he would work to do this.

The present administration has generally only shown the carrot, such as relaxing regulation. There are only two sticks it can use if it does not want to be called the "New Chaebol Republic": reduce affiliate investment limits and increase monitoring of inside trade.

Besides these, it can strengthen its industry-specialization policy, wielding this as a credit policy. However, it has already stopped mimicking attempts at this, so much so that it is unclear whether industrial-specialization was already implemented last year.

As for tightening limits on investment in other companies, one of the sticks listed above, the administration had intended last year to lower to 25 percent what is now set at 40 percent of total assets and revise the Fair Trade Bill. However, this ended up being shoved into a desk drawer, the administration forced to back off by talk of crisis at that time about slow facility investment. At present, the ratio of investment in other companies by the thirty largest groups is 29 percent. Therefore, lowering this to 25 percent would hurt only a few companies. It would be an obstacle when they try to take over something new, however, such as in the privatization of public enterprises.

Industrial Specialization Vague, Say Critics

The term inside trade refers to the improper competition carried out by the supply of spare parts or intermediate materials at below-market prices between subsidiaries of the same chaebol. It has often been used as an expedient for camouflaging the whole group's sales and tax accounting. With inside trade as high as 30 percent and above, there could also be places that have been double calculated, according to analysis. The Fair Trade Commission last year also conducted a primary investigation of inside trade in over ten groups. It uncovered instances of impropriety and announced them in the media.

This year, however, these efforts have lost their vigor. Inside trade investigations can be conducted at any time without legal supplement. Setting this aside, therefore, the subject of the greatest interest at present concerns when and in what manner the law will be revised to strengthen limitations on investment in other companies.

The Blue House's Economic Secretariat sent directives to each ministry, stating that systematic reform of domestic sectors would be completed this year in preparation for the political season to begin following next year. This confirms, therefore, the principle of creating a law this year on strengthening investment in other companies. However, it somehow seems to lack confidence.

Consequently, it appears this will be related to how the core of the civilian administration, taking into consideration next year's election schedule, will decide on a justification for avoiding attack, and also to the extent to which it intends to placate public and media criticism.

There also appears to be a deep functional relationship with consciousness transformation. It is not unrelated to whether, at a time when the Blue House is being scolded by the media for replacing the prime minister, etc., senior officials came to a decision when group heads held a meeting at a golf club, and also to whether they will link with policy their feeling that the chaebol heads are "not doing what they're told." For instance, last spring the Blue House tried to bring 15 chaebol heads on a visit to China and was surprised when eight of them refused for various reasons.

A few months after the birth of the Kim Yong-sam administration, the Blue House had one chief secretary call the heads of the 30 largest groups to the Swiss Grande Hotel for "lectures." "If we were to make such a call now, it could be that not one person would come out," said one secretariat official. After meeting privately with the group heads, President Kim actually asked one to appear on television in support of the New Economy, but was refused.

The chaebol are thus experiencing a renaissance beneath a "civilian-government umbrella." We are seeing no opportunity for the situation to change and several policies are unfolding in a direction harmful to our economy.

The privatization of public enterprises and the attraction of private investment fall under this category. In the case of the privatization of public enterprises, there are tremendous golden markets, such as the gas works and Korea Telecom. For private investment in indirect social capital, if a company gets a good location and builds harbor or railroad works, it could come into windfall profits because of the added effect of real estate investment. Seeing these golden markets, the groups are said to be setting up "dedicated teams," responsible for taking over public enterprises and attracting private investment, and to be conducting elaborate preparations, planning to make money. They are said to be raising money rather than investing it elsewhere.

This has the negative influence of an economic cycle, in which investment is put off until an opportune time, and runs completely counter to the policy of chaebol industrial specialization. It is on these points that the present administration is commonly criticized for its poorly conducted policy.

Professor Amsden, author of *Asia's Next Giant: South Korea & Late Industrialization*, has five years' experience working in a research center concerned with Korean conglomerates. She praised Korea, saying it would rise to be the giant of Asia after Japan. She attached a precondition to this, however. It will be possible only if the chaebol problem is resolved. Professor Amsden is famous for suggesting that Korea go so far as to artificially break up the gigantic chaebols (chaebol dissolution), as was done with AT&T in the United States. This advice was also seriously considered by our country's Fair Trade Commission.

Even if such extreme, shocking measures are set aside for now, will the civilian administration just stand idly by, having put aside everything having to do with chaebol policy? From a bystander's point of view, the desire to live peacefully as long as possible is far from the meaning of civilian government.

Therefore, it is a self-evident truth that the administration will be bombarded with a questions from all sectors and classes of society as well as from professional economists.

Ministry To Promote Video Software Industry

SK0708033494 Seoul THE KOREA HERALD in English 7 Aug 94 p 8

[By staff reporter Yu Kon-ha]

[Text] The government is expected soon to announce a package of measures designed to promote the movie and video software industry, a sector with huge growth potential.

The measures are based on policy recommendations mapped out by a committee on the development of the video software industry. Set up this March, the committee consists of movie producers, film critics, experts on digital technology and related government officials. "As stressed in the New 5-Year Economic Plan promulgated last year, we intend to provide all the support available to producers of movies, game programs and virtual reality software," said Kim Chun- tong, an official of the Ministry of Trade, Industry and Energy (MOTIE).

MOTIE has been studying ways to provide financial and tax benefits to software producers. Recently, in announcing a revision bill to the Industrial Promotion Act, the ministry has included a clause on the video software industry, an expression of its intention to entitle this sector to the same support as that given to the manufacturing industry.

"The clause will enable the ministry to provide support to the development of technology such as the application of computer animation and computer graphics to film making," Kim said.

MOTIE also has plans to revitalize the domestic multimedia equipment industry which needs to advance in tandem with growth in the software field.

The Ministry of Culture and Sports, for its part, is working on legislation of a law which is tentatively named the Basic Law on Video Software Promotion.

The law, by far the most eloquent expression of the government's commitment to video software development, will include a declaration of pan-governmental support for the sector.

At the same time, the ministry will revise the Motion Picture Act to eliminate various restrictions now imposed on local film producers.

For instance, the revised law will allow them to produce joint venture pictures more easily, cast foreign actors without government permission, and use foreign currency without government approval.

"All these measures will be finalized within this month and then be presented in September to the Industrial Policy Deliberation Committee for approval," a ministry official said.

According to industry experts, the video software industry will emerge as one of the key industries in the 21st century.

By one estimate, the world market for the video software and hardware is expected to reach $2 trillion to $4 trillion in the year 2000, exceeding that for information software and hardware.

In Korea, however, it is only recently that the huge potential of the video software industry has been realized.

The domestic movie industry, which is the backbone of this new industrial sector, has been losing ground because of imported foreign films.

The number of Korean-made films has been on a steady decline and foreign films account for over 80 percent of total industry revenues.

One main reason for this decline was the government's neglect of the motion picture industry. Film production has been classified as an entertainment service industry and has suffered disadvantages in access to bank loans and other business activities.

In addition, the industry consists largely of small producers who suffer chronic capital shortage.

Recently, however, big business groups, especially those engaged in the home electronics business, are showing keen interest in the film industry.

The Samsung and Daewoo Business Groups, which now distribute videotape versions of foreign films, intend to produce films themselves as they have been both named suppliers of films to cable TV (CATV) stations which will begin operation early next year.

Samsung plans to produce at least five films next year, while Daewoo intends to turn out at least six pictures a year.

The Hyundai Business Group, which is also participating in the CATV business as a supplier of family entertainment programs, has set up a film production studio and plans to rent cinema houses in downtown Seoul while building new ones in the suburbs.

The Sunkyung Business Group has also set up a film company and taken over a movie house in southern Seoul.

A major player in the home electronics industry, the Lucky- Goldstar Business Group is concentrating on multimedia software titles.

These moves by big business groups have generated concern among small film producers that they may be driven out.

"Some experts assert that there should be some kind of entry barriers for big business groups because the film industry, although it has not been officially designated as a small-firm-only business, has thus far been maintained by small producers," a MOTIE official noted.

"But our position is that there shouldn't be any entry barriers. To promote the video software business, big firms should be encouraged to participate in it," he added.

Most of these big entrants double as producers of electronics appliances. Just as Japanese electronics makers such as Sony and Matsushita crossed over to the video software business by taking over American film studios, they want to "soften" their businesses.

At the same time, as electronics makers, they are shifting their focus from conventional appliances to multimedia equipment.

While intensifying research and development efforts to turn out new gadgets exploiting the new digital technology, they are putting together separate operations in such fields as telecommunications, computers, semiconductors and home electronics to create so-called synergistic effects.

After all, the software and hardware businesses will merge in the future into the home entertainment industry. The spread of multimedia equipment will create new demand for entertainment video software, while the consumer desire for new types of software bared on leading-edge digital technology will stimulate development of new hardware.

The government's planned promotion package for the software sector, although belated in consideration of developments in advanced countries, is expected to provide the much needed stimulus to the depressed domestic film industry while at the same time encouraging developers of other video software.

Burma

Minister Returns From Colombo Conference

BK0808054494 Rangoon Radio Burma in Burmese 0430 GMT 8 Aug 94

[Text] A Myanmar [Burma] delegation led by U Than Aung, minister of cooperatives, returned to Yangon yesterday afternoon after attending the third Asia-Pacific conference of cooperatives ministers in Colombo, Sri Lanka, from 26 to 30 July.

The Myanmar delegation led by Minister U Than Aung was welcomed at the airport by Brigadier General Lun Maung; U Khin Maung Thein, minister of energy; U Khin Maung Yin, minister of construction; responsible officials; and family members of the delegation.

More Muslim Refugees Arrive From Bangladesh

BK0508123994 Rangoon THE NEW LIGHT OF BURMA in English 29 Jul 94 p 7

[Text] Altogether 406 persons of 80 households comprising 201 males and 205 females arrived back at Taungpyo, Ngakhuya, Pyinbyu, Kanyinchaung and Magyichaung reception camps respectively on 25 July under the agreement between Myanmar [Burma] and Bangladesh.

A total of 58,119 persons of 13,020 households have arrived back since 22 September 1992.

Government Reports Return of Rebels in Jun

BK0508144594 Rangoon THE NEW LIGHT OF BURMA in English 29 Jul 94 p 7

[Text] Realizing their misdeeds, altogether 66 members of armed groups returned to the legal fold in June 1994. In the ten days between 21 and 30 June, 22 members of the armed groups returned to the legal fold in Southern Command, North-East Command and South-East Command.

Southern Command

In Southern Command area, private PK (a) [alias] Hsa Ka Baw Htoo of No 2 brigade of Kayin terrorist group, private Nyein Nyein (a) Kyaw Soe Win of ABSDF [All Burma Students' Democratic Front], armed terrorist group and private Than Naing of BCP [Burma Communist Party] armed terrorist group returned to the legal fold.

North-East

In North-East Command area, private Kyaw Oo of Loimaw drug trafficking terrorist group surrendered.

South-East Command

In South-East Command area, privates San Tin, Than Zaw and Naing Kyaw and section leader Aye Lwin of BCP terrorist group, private Kyaw Kyaw of ABSDF No 204 battalion, medical officer Tun Wai and private Kyaw Hsan of No 203 battalion returned to the legal fold with one .22 revolver, platoon commander Tin Soe, section leader Kyaw Thu Htaik, sergeant Kyaw Kyaw, sergeant clerk Than Zaw, section leader Lun Zaw, privates Thet Naing, Soe Maing, Zaw Aye and Aung Hsan Win with one M-16 automatic rifle, two AK-47 automatic rifles and two grenades, private Ngwe Aye of No 6 brigade of Kayin terrorist group with one AK-47 automatic rifle and private Chit Lwin of No 4 brigade with one M-16 automatic rifle and one grenade surrendered at various Tatmadaw camps during the ten-day period between 21 and 30 June.

Personnel of the respective camps extended them warm welcome.

City Quiet on Anniversary of Democratic Rally

BK0808071894 Hong Kong AFP in English 0605 GMT 8 Aug 94

[Text] RANGOON, Aug 8 (AFP)—The Burmese capital was quiet Monday, with few uniformed security men in evidence, on the sixth anniversary of a mass anti-government rally which triggered a military crackdown.

Analysts said the low-key official security arrangements indicated that authorities were confident there would be no incidents.

The government was believed to be relying on civilian organizations such as the Union Solidarity and Development Association (USDA) to maintain order in individual wards and districts.

Authorities may also have detained people seen as potential trouble-makers, including members of the opposition National League for Democracy (NLD), in advance of the anniversary, as they have in the past, observers said.

On similar anniversaries, authorities have also taken in anyone dressed in the Kachin-style green and black longyi (sarong) which is seen as a sort of NLD uniform, observers said.

On August 8, 1988, anti-government protestors defied a ban on demonstrations and launched a nationwide general strike. Troops opened fire on unarmed demonstrators and violently put down the protest.

Just over a month later, the military took power.

Total of 58,591 Rohingyas Repatriated So Far

BK0508132394 Rangoon THE NEW LIGHT OF BURMA in English 30 Jul 94 p 7

[Text] Altogether 283 persons of 61 households comprising 141 males and 142 females arrived back at Taungpyo, Ngakhuya, Pyinbyu and Magyichaung reception camps respectively on 27 July under the agreement between Myanmar [Burma] and Bangladesh.

A total of 58,593 persons of 13,116 households have arrived back since 22

Brunei, Malaysia & Singapore

Efforts To Outlaw Nuclear Weapons Urged

Malaysia

BK0608095794 Kuala Lumpur Voice of Malaysia in English 0600 GMT 6 Aug 94

[Text] Efforts to convince the International Court of Justice to outlaw nuclear weapons must continue. Deputy Foreign Minister Datuk Dr. Abdullah Fadzil Che Wan said the goal of abolishing nuclear weapons was achievable. Even the United States is making a full reassessment of its nuclear posture.

He said this in a keynote address to the fourth regional conference of the International Physicians for the Prevention of Nuclear War in Petaling Jaya near Kuala Lumpur. Datuk Dr. Abdullah Fadzil said that before this goal could be achieved, several intermediate steps would have to be taken. These include a comprehensive test ban treaty, international control of plutonium, extension of the Nuclear Non-Proliferation Treaty, and declaring nuclear weapons illegal.

He commended the physicians for their tireless advocacy for the ban despite vigorous opposition from the nuclear weapon states and their allies.

Mahathir Reiterates EAEC Not Trading Bloc

BK0608095894 Kuala Lumpur BERNAMA in English 0358 GMT 6 Aug 94

[Text] Kuala Lumpur, Aug 6 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed reiterated Friday that the East Asia Economic Caucus (EAEC) is a forum for East Asians to talk on matters of common interest without the presence of the United States.

It was not a trading bloc which would exclude other nations from trading with East Asian countries, the prime minister said.

Surely, the East Asians can talk to each other without the U.S. presence, the prime minister said when responding to questions by reporters on American opposition to the EAEC.

Dr. Mahathir said the EAEC had received unreasonable opposition when in fact the caucus is a really harmless forum.

All we are saying is that we should be able to meet to talk about our common problems, he told reporters after opening the first East Asian young leaders congress here.

Earlier, when delivering his keynote address at the congress, Dr. Mahathir outlined seven reasons why the EAEC should be set up, saying the explanation was necessary in view of the campaign of lies and deliberate disinformation on the caucus.

He said the EAEC would be a loose consultative forum for East Asia and have both a regional and extraregional agenda.

In pursuit of the regional agenda, the countries of East Asia should meet at the ministerial level to discuss how to enrich their regional economic cooperation.

On the extraregional agenda, we should discuss how we can cooperate to ensure an open, non-protectionist, healthy, global trading and economic system, he said.

Another reason for the EAEC is that on matters related to world trade, East Asian nations must be champions of free and fair trade.

Other reasons are that although regional trade is crucial, East Asian nations should not confine their relationships to trade but seek to optimise joint development zones, trans-border investment, technology sharing, tourism, and even labour flows.

Background of Al-Arqam Movement Detailed

BK0508152594 Kuala Lumpur BERNAMA in English 0819 GMT 5 Aug 94

[Text] Kuala Lumpur, Aug 5 (OANA-BERNAMA)—The National Fatwa Council (ruling council on Islamic matters) Friday outlawed Al-Arqam and all its teachings and beliefs. The group is said to be involved in deviationist teaching of Islam.

The ban covers its ideology, philosophy and practice and publication material like photographs, posters, maps, film slides, advertisements, books, magazines, pamphlets, film, audio tapes and recordings, phonography, laser disks and compact disks.

The announcement was made by the council chairman Mursyid Diraja Tajuddin Abdul Rahman following a discussion of the Fatwa committee attended by all Mufti or state Fatwa committee chairmen at the Islamic Centre here.

Thursday, the religious affairs ministers of Indonesia, Singapore and Brunei agreed to ban Al-Arqam leader Ashaari Muhammad from entering their countries. Ashaari has been on a self-imposed exile in southern Thailand since 1988.

The Thai Government has refused to renew his visa and he is reported to have left Tuesday for Jordan.

Tajuddin said the ban was decided following the Fatwa committee's unanimous view that the teachings and belief of Al-Arqam contravene Islamic practice and teachings and could lead Muslims astray.

It conflicts with Islamic teachings and the belief of the Sunni sect, he added.

Therefore, Muslims were banned from adopting the practice and teachings of Al-Arqam, or to become its members or lead, hold talks, conduct classes or be involved in economic, social, art, cultural or other activities for the purpose of upholding and expanding the movement, he said.

Muslims were also prohibited to possess, keep, publish, sell as well as distribute films, audio recordings, pamphlets, books, magazines or any documents, use any symbol, diagramme or sign that could identify the Darul Arqam group or Al-Arqam with any movable or immovable property.

Tajuddin then listed the Al-Arqam teachings that were wrong and deviationist that could lead Muslims astray.

These were:

"The belief that Sheikh Muhummad as-Suhaimi, the founder of Aurad Muhammadiah or the philosophy of Al-Arqam, would be resurrected as Imam Mahdi, a prophet;

"The belief that Syeikh Muhammad as-Suhaimi had a conscious meeting with Prophet Muhammad in the Kaabah and received the Aurad Muhammadiah from him;

"Adding false information to a prayer by saying that Sheikh Muhammad As-Suhaimi was Imam Mahdi and giving him a status equal to the four caliphs, Abu Baka, Omar, Othman and Ali;

"Wrongly defining the meaning of verse 3 of Surah Al-Nisa in the Koran by claiming that the origin of marriage began with two wives and then the third and fourth. This conflicted with the accepted translation and opposed the consensus of recognised scholars on marriage.

"The claim by Al-Arqam leader (Ashaari Muhammad) that he had a conscious meeting with Prophet Muhammad and his followers and had a dialogue with the prophet. This would demolish the foundation of Islamic teaching as it would mean that the Koran and Hadis [prophet Muhammad's conduct] were yet to be completed. Ashaari also claimed that the prophet acknowledged the bona fides of Al-Arqam teachings;

Tajuddin said Al-Arqam, established by Ashaari in 1968, began as an ordinary missionary group besides being involved in producing foodstuff and publications.

He added that a shocking change occurred in 1979 when Ashaari admitted his belief in and as a follower of dead religious teacher Sheikh Muhammad As-Suhaimi and Aurad Muhammadiah, a genealogy which contained prayer [words indistinct].

The Ministry of Home Affairs, acting on the advice of religious authorities, banned the book in 1988.

Tajuddin said Al-Arqam paid no heed to the ban, and under the guise of economic, education, cultural and art activities, continued to uphold, disseminate and practice the teachings.

The same year, Ashaari and his followers fled to Thailand for fear that action would be taken and they continued to observe the banned practices, he added.

Official Discloses Arrests of Foreign Fishermen

BK0608112794 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 5 Aug 94

[Text] As many as 85 foreign fishermen were arrested for illegal fishing in Kelantan waters between January and July this year. Nik Abdul Wahab Masiah, director of Kelantan Fishery Office, said 75 of the arrested fishermen are Thais, while the rest are Vietnamese.

Speaking at a press conference in Kota Baharu today, he said that 14 boats belonging to the foreign fishermen had been confiscated. He also called on local fishermen to assist his office by reporting on any encroachment on Kelantan waters by foreign fishermen.

Singapore

Muslims Forbidden To Join Al-Arqam Movement

BK0508152294 Singapore Singapore Broadcasting Corporation in English 1400 GMT 5 Aug 94

[Text] In Singapore, the Muslim religious council's fatwa committee has made a decision to disallow Muslims in Singapore to join Al-Arqam or practice its teachings. The committee, which makes rulings on religious decision, also calls for a distribution of the book "Aurad Muhammadiyah" to be stopped. It found several parts of Al-Arqam teachings in the book to be confusing.

In an interview with Singapore Broadcasting Corporation, the council's vice president, (Syafali Ahmad), said it is not in the council's jurisdiction to ban the movement, but he added if the teachings and practice of Al-Arqam is not checked, it will become a threat to the unity of family and society. Mr. (Syafali) called on Singaporeans to avoid any contact or dealing with its followers.

Cambodia

U.S., Australia, France Warned Against War

BK0608135194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 6 Aug 94

[Unattributed commentary: "Those Who Play with Fire Will Have Their Heads Burned"]

[Text] The United States, Australia, and France are fueling Vietnam's war in Cambodia. These three bad guys are now collaborating with the communist Vietnamese and the two-headed government, their puppets and lackeys, to continue the war to kill the Cambodian nation and people by giving financial aid, bringing advisers, experts, and military technicians, and by successively providing military assistance in the form of tanks, aircraft, and assorted weapons to Cambodia. This is the opening of the war by the United States, Australia, and France in Cambodia.

In such a situation, the Cambodian nation and people have the right to defend themselves by uniting around the Provisional Government of National Union and National Salvation to continue their struggle. In this battle there will certainly be casualties, because a war is a battle between warring factions. If you come to kill Cambodians, the latter also have the right to defend themselves. If the United States, Australia, and France are waging war to kill Cambodians, then Americans, Australians, and French will also be killed or wounded. More will be killed, wounded, or maimed later because this is the law of fighting. This means that if you play with fire, your head will get burned.

On this matter, the United States had the experience during the Vietnamese-U.S. war. All the bones of U.S. soldiers have not been recovered yet. If the United States, Australia, and France dare escalate the adventurous war in Cambodia, they will receive bad results like in the Vietnamese-U.S. war.

Ministry Statement on Phnom Penh Situation

BK0808092594 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 7 Aug 94

[Statement dated 7 August—read by announcer]

[Text] Statement by the Ministry in Charge of the Situation and Labor in Phnom Penh and the Cities of the Provisional Government of National Union and National Salvation of Cambodia [PGNUNS] on the situation in Phnom Penh and measures to solve it.

I. The situation in Phnom Penh.

The situation in Phnom Penh is marked by an atmosphere of ongoing Vietnamese war of aggression. In Phnom Penh, the communist Vietnamese have set up the leading apparatus of the Communist Party of Vietnam [CPV] and administrative authorities in all fields to carry on their war of aggression to swallow our Cambodian people and race.

A. The communist Vietnamese in Phnom Penh.

The communist Vietnamese have four categories of forces:

1. Their administrative forces at all levels.

The administration in Cambodia is actually the administration of the communist Vietnamese which was established when they invaded Cambodia at the beginning of 1979. Ninety-nine percent of this administration in Phnom Penh and 100 percent in the countryside belong to them. In Phnom Penh, 99 percent of the legislative power belongs to communist Vietnam; 99 percent of the executive power belongs to communist Vietnam; and 99 percent of the soldiers, police, and administration at all levels belong to communist Vietnam. Everything is controlled by the Vietnamese through branches of their CPV, through their puppet party, and through their puppet administration.

2. The establishment of the CPV in Cambodia.

On the one hand, the CPV, its party committee, and its branches serve as the leading apparatus that controls everything in Cambodia, particularly in Phnom Penh. This CPV sector is under the control of the CPV Political Bureau in Hanoi directly supervised by Le Duc Anh, former commander of the communist Vietnamese forces which invaded Cambodia and currently Vietnamese president.

In Phnom Penh, members of the CPV Political Bureau are personally in charge of everything. These CPV committee members are in charge of leading the CPV committee at all levels and the CPV branch in Phnom Penh. They lead the Vietnamese puppet party, the so-called Cambodian People's Party [CPP], from top to bottom. They also lead all the aggressor Vietnamese forces in Cambodia and in Phnom Penh.

This CPV committee commands Hun Sen, Chea Sim, Tie Banh, and Sar Kheng who are Political Bureau members of the communist Vietnamese puppet CPP and ringleaders of the communist Vietnamese puppets.

3. The Vietnamese forces serving as soldiers and policemen.

They are pure Vietnamese forces used to launch regular intervention and suppression operations to crack down upon, attack, threaten, and coerce the opposition forces and the people's demonstrations. This is proven by the attack on the house of His Excellency [H.E.] Khieu Samphan and H.E. Son Sen in November 1991, the coup d'etat inside the palace following the elections organized by UNTAC [UN Transitional Authority in Cambodia] in 1993, and the coup d'etat staged in July 1994. On the surface, they serve as brickmasons, construction workers, repairmen, and (?traders). In fact, they are Vietnamese soldiers and policemen in civilian form, but officially they have uniforms as members of the two-headed elements' Khmer Royal Armed Forces [KRAF] and Police and all kinds of weapons for launching (?repressive operations).

These Vietnamese forces are dutybound to defend their puppet administration so that it can further serve as a smokescreen for concealing the communist Vietnamese forces.

4. The Vietnamese nationals who continue to flow into Cambodia.

The number of these Vietnamese nationals has now increased to four million throughout Cambodia. In Phnom Penh alone, there are many of these Vietnamese nationals both in the city and in the suburbs. In the suburbs, these Vietnamese nationals occupy the areas from kilometer marker No. 6 through to Prek Kdam.

On the Mekong River front, there are many Vietnamese nationals in the Chruoy Changva area. Kbal Thnal, Chhba Ampeou, and Ta Khmau are also occupied by Vietnamese nationals. In the city itself, the areas from kilometer marker No. 6 through Phsa Toch, Phsa Chas, and Tuol Kouk dam are also crowded with Vietnamese nationals. Phsa Chas, Phsa Kandal, Phsa Thmei, and Phsa O Russei are also thickly populated with Vietnamese nationals who are occupying the ground, middle, and top floors of all the brick buildings as well as the huts on the rooftop of these brick buildings. The Phsa Depot-Toek L'ak area is also occupied by Vietnamese nationals.

The Vietnamese also occupy (?various) monasteries, such as Vat Pralaom, Vat Sampeou, Vat Svay Dangkum, and Vat Prayuonvong. They deal in many large, medium, and small businesses, with their small business dealings being countless, including selling fish, cakes, and so forth [words indistinct].

It can be said that Vietnamese nationals control 70 to 80 percent of all occupations in Phnom Penh.

B. The two-headed elements.

In fact, the two-headed elements are just the outer shell, the facade, and the outer screen. It is also a fact that they are communist Vietnamese puppets—99 percent in Phnom Penh and 100 percent in the countryside. The fact is that they serve totally as an administration of the communist Vietnamese, which means that everything is managed and controlled by the communist Vietnamese. The communist Vietnamese control the National Assembly, government, military, police, security forces, and the administration.

C. The Western alliance of villains.

The Western alliance of villains is poking its nose into the aggressive war of communist Vietnam in order to scramble for the flesh and blood of the Cambodian nation and people. They, including the United States, France, and Australia, have sent and are sending military personnel and weaponry to the communist Vietnamese puppets and two-headed elements to continue communist Vietnam's war to further kill the Cambodian nation and people. These allies have (?helped) the two-headed elements by attempting to please communist Vietnam and by joining hands with the communist Vietnamese in their war against Cambodia.

D. The Cambodian people in Phnom Penh.

The overwhelming majority of Cambodian people in Phnom Penh, that is, over 90 percent, are laborers, small traders, civil servants, students, pupils, monks, and persons who are living in miserable conditions.
1. They live in daily panic, in an atmosphere of incessant terrorism under the dictatorial fascist rule of the communist Vietnamese puppet administration, Vietnamese puppets, and two-headed elements.
2. The overwhelming majority of them, over 90 percent, lead a miserable and difficult life. They have been threatened, arrested, and detained. They have been forcibly recruited as soldiers, extorted, imprisoned, and robbed day and night. Moreover, they are forced to live in a dark and bleak atmosphere due to widespread social ailments, including AIDS and venereal diseases.

Especially since the beginning of July when communist Vietnam and communist Vietnamese puppets staged a fascist coup d'etat and imposed martial law, our fraternal Cambodian people in Phnom Penh have suffered even more seriously—being arrested, detained, tortured, and killed everyday.

II. Measures set by our PGNUNS to solve the difficult situation of our people in Phnom Penh.
A. The PGNUNS has successively informed the nation and people about this problem.
B. The PGNUNS has strived continuously to settle this problem.
C. The PGNUNS has joined with the nation and people to wage the struggle in Phnom Penh itself.
D. The people in Phnom Penh have struggled successively in their capacity as the direct victims of the terrorism [words indistinct] of the two-headed elements, communist Vietnam, and Western alliance of villains who, as warmongers, have never been hesitant to wickedly and mercilessly tear apart and consume our nation and people's flesh.
E. The PGNUNS, together with the people in Phnom Penh and the countryside, our fraternal Cambodians living abroad, and our entire Cambodian nation, strives to solve the difficult and miserable problems of the Phnom Penh people one step at a time by relying on our own national and popular forces, particularly the Phnom Penh people, in order to extricate them from the iron claws of these evil vultures.

In our past struggles, our nation and people have gained clear experience in preventing communist Vietnam from swallowing our Cambodia until today.

When they invaded Cambodia, the communist Vietnamese declared that there was no more Cambodian problem—they had already swallowed Cambodia completely.

But, in fact, the struggle waged by our Cambodian nation and people, including the Phnom Penh people, is an iron pin which continually pierces the throats of the communist Vietnamese, preventing them from doing anything at will.

The Cambodian nation and people both in the countryside and in Phnom Penh have jointly struggled time after time and have successfully protected our nation, people, and race until today, preventing them from becoming a second Kampuchea Kraom. The Phnom Penh people themselves who are the direct victims have joined hands with our entire nation and people to wage all forms of struggle under all circumstances in order:

1. To successively solve the problem of the Vietnamese presence in Phnom Penh.
2. To settle the problem concerning the two-headed elements who are the tool of communist Vietnam so as to bring about a genuinely national government to protect the interests of the entire nation and people and that of the Phnom Penh people, and to ensure both our national security and the Phnom Penh people's security and happiness.

[Dated] 7 August 1994
[Signed] Kao Bun-heng, PGNUNS minister in charge of the situation and labor in Phnom Penh and the cities

Ranariddh Comments on Hostages, Detained Thais

BK0608103094 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 5 Aug 94

[Interview with First Prime Minister Norodom Ranariddh by unidentified correspondents during flood inspection in Kompong Speu Province on 4 August—recorded]

[Excerpts] [Ranariddh] We have plans. I have given clear orders to the Interior Ministry. The Royal Government's stance is clear: it is to get the hostages released as quickly as possible. We will not launch any attack that might endanger the lives of the hostages, whether foreigners or Cambodians. [Passage omitted]

Concerning the 14 Thais, our investigation has in fact revealed that they are very clearly involved in the coup attempt. This is very clear; there is no doubt whatsoever [words indistinct]. We have informed Thailand that if it wants to conclude this matter quickly, Thailand should comply with the Royal Government's request for the extradition of those responsible high-ranking people who have escaped to Thailand and who have scornfully said from there that our country does not have any laws, and so on. If these persons were not involved, why did they flee? We therefore ask Thailand—once again we are not accusing the Royal Thai Government or any Thai national institution; let us be clear about this—and the Royal Thai Government to send back the two persons whom we have named and who were responsible for organizing the coup. Those persons who came, it should be clearly said, were not job seekers who had been told that by working in our country they would earn a lot of money. Cambodia is poor; how could they earn more by working in Cambodia? Please let us be clear. These persons arrived just a few days earlier and then left on Sunday morning, the day of the coup attempt. If they were businessmen and job seekers, why did they not wait a bit longer? They would have lost nothing.

I would also like to state clearly that these persons are known to belong to a mafia. From what we know, on the day the two prime ministers were captured—it is not known whether the latter were to be captured dead or alive—these persons were to be the guards. [Words indistinct] We have never, not even once, accused the Royal Thai Government or the Royal Thai Army. This concerns only individuals who were involved; we seek cooperation in having these two persons sent back. This way we will be able to clear up the problem more quickly. We will either charge them or take alternative action. It is not in our interest to keep these 14 persons; Cambodian rice will also be needed to feed them.

[Passage omitted, including indistinct words and passages] I, the samdech second prime minister [Hun Sen], and the Prince Kromkhun (Norodom Sirivut] get word only from our ambassador, who has not yet reported to us. On the other hand, whenever we meet, His Excellency Prasong Sunsiri talks nicely. Concerning the Khmer Rouge, he says that Thailand only recognizes the Royal Government. If the Royal Government asks Thailand not to recognize Khmer Rouge passports, the Royal Thai Government will do so. Thailand has asked that its representatives meet all the Thai nationals; we have agreed to this. Concerning any violation of human rights—whether it was talked about or not I do not know—I have not received any reports from our ambassador. I therefore cannot comment on anything that I am not aware of officially, or also unofficially. I am sincere about this.

[Partly indistinct question in Cambodian by unidentified correspondent about the Royal Thai Government's offer to help arrest Khmer Rouge leaders in exchange for the release of the Thais accused of involvement in the coup attempt]

[Ranariddh] This is different; there can be no link between these matters. First, concerning the arrest of Khmer Rouge leaders, Thailand cannot do this because it has never acknowledged that Khmer Rouge leaders are in the country. Therefore, how can the Khmer Rouge leaders be arrested on Cambodian territory by Thais? Is it not so? This is entirely our own matter. Second, there can be no exchange of this sort. These are two different matters. [Passage omitted, including indistinct passages]

Some Thai Suspects Said To Be Freed 'Soon'

BK0808114194 Phnom Penh The CAMBODIA DAILY in English 5-7 Aug 94 pp 1, 7

[Report by Barton Biggs]

[Text] Government officials indicated yesterday that the first chapter of the ongoing saga of the 14 Thais being held in Phnom Penh may be drawing to a close.

Minister of Interior Yu Hokkri told the Cambodia Daily yesterday evening that he would be meeting with Sakthip Krairoek, Thailand's ambassador to Cambodia, before the night was out.

The two would discuss the case—in which the government has held the 14 incommunicado in a secret location while investigating them for alleged links to last month's aborted coup altempt—and concerns voiced by Bangkok that the investigation had dragged on too long.

The minister confirmed that several "innocent" members of the group would soon be freed.

Yu Hokkri disputed claims that a deal was in the works to release some of the detained Thais in exchange for turning over former Thai MP Adun Bunset, who fled into Thailand to avoid arrest by Cambodian authorities following the botched putsch, for questioning.

Earlier in the day Co-Prime Minister Prince Norodom Ranariddh indicated that innocent members of the group would be freed "if we get close cooperation from the Thai government."

He went on to say that, "We would like to ask Thailand to cooperate with the Royal Government to send to Cambodia those who were primarily responsible and who escaped to Thailand."

He also indicated yesterday that the investigation had drawn some definitive conclusions, implicating some of the suspects while exonerating others.

"Our investigation shows clearly that they were involved with the coup attempt. There is no doubt at all," he told reporters during a break in yesterday's session of the National Assembly. The prince added that "there are one or two who will be released soon."

It is likely that the next phase of the affair will involve filing charges against the alleged conspirators and trying them in a Cambodian court.

Bangkok has recently protested that the rights of the group of 14, who have been held in secret locations over the past month with no legal representation and only a few official visits by Thai authorities, are being violated.

In a "memoir" passed Tuesday to Roland Eng, Cambodia's ambassador to Thailand, Bangkok cited international legal codes to protest the month-long detentions.

Previous reports that the investigation was nearly complete and that the authorities were on the verge of freeing the detainees have proven to be premature.

Immigration Law Worries Human Rights Advocates

BK0808112894 Phnom Penh The CAMBODIA DAILY in English 4 Aug 94 p 5

[Report by Robin McDowell]

[Text] The fourth draft of the immigration law, expected to go before the National Assembly today or tomorrow, does not address one central question, human rights advocates warned: Who is or is not a Cambodian citizen?

"In the absence of a definition that clearly lays down who is a Cambodian and who is not, it is difficult to say how any immigration law can be implemented," Balakrishnan Rajagopal of the UN Center for Human Rights said.

The draft law addresses qualifications and procedures for issuing visas and prescribes penalties—including deportation and imprisonment—for non-compliance with the terms of the bill. But it ignores the issue of nationality, rights workers said.

A separate nationality law is currently being drafted.

"There are some examples of countries that postpone the question of nationality—it leads to arbitrariness in implementation," Rajagopal warned at a panel discussion on the immigration law at the Foreign Correspondents Club last night.

But second deputy chairman of the National Assembly, Son Soubert, argued that "the framework of Paris agreement is still valid, so you can refer (there) for a definition of who is Cambodian and who is not Cambodian."

Legislative issues regarding asylum and refugee status are also ignored in the present immigration law draft, advocates said.

And there is concern that the law will be used as an instrument to expel "a large number of non Khmer people from Cambodia," Serge Ducasse, the Charge de Mission at UN High Commission for Refugees said.

"Abuse, ethnic cleansing, mass deportation, may occur and degenerate into internal or regional conflict if not controlled," he added.

Philippines

Catholic Priest Freed; No Ransom Paid

BK0808075494 Quezon City Radio Filipinas in English 0230 GMT 8 Aug 94

[Text] Muslim extremists have freed Roman Catholic priest Fr. Cirilo Nacorda. A dispatch from REUTERS News Agency says Interior and Local Government Secretary Raphael Alunan III revealed this but gave no details. Alunan says Nacorda was freed Sunday night.

Nacorda has been held hostage for two months by the Abu Sayyaf group.

Fr. Nacorda will meet with President Ramos when the chief executive visits Zamboanga City following the Brunei state visit.

In a radio interview, Vice President Joseph Estrada says Nacorda is now in the hands of the military after being released in Basilan.

The rebel group demanded a three-million peso ransom for Nacorda's freedom but Estrada said no money was paid.

Military Declares Victory Against Communism

BK0508070394 Quezon City Radio Filipinas in English 0230 GMT 5 Aug 94

[Text] The chief of the Philippine military declared Thursday strategic victory over communist rebels, and claimed that one of the world's last active Marxist insurgencies no longer poses a major threat to national security.

Armed Forces Chief Arturo Enrile said the rebel New People's Army had been reduced to about 8,000 guerrillas from a (?big) strength of 25,000 in the mid-1980s.

Enrile said fighting between the rebels and the government forces still occur especially in rural areas of Southeastern Luzon Island and Mindanao—second largest of the more than 7,000 Philippine islands. But he said, all but one or two of the engagements have been initiated by government forces.

Economic Agreements Signed With Brunei

BK0808075094 Quezon City Radio Filipinas in English 0230 GMT 8 Aug 94

[Text] The Philippines and Brunei have signed two memoranda of understanding, one memorandum of intent, and an amendment to the existing air services agreement during President Ramos' state visit to Brunei.

Signed were:

—A memorandum of intent to form the Philippine-Brunei and Brunei-Philippine Business Councils;

—A memorandum of understanding for joint tourism development between Brunei and Mindanao; and,

—A memorandum of understanding to explore the establishment of a deep-sea fishing venture based in Brunei Darussalam.

Also signed was an amendment to the existing air services between the Philippines and Brunei which establishes direct air links between the cities of Puerto Princesa, Zamboanga, Davao, and General Santos.

The memorandum of intent on the business councils aims to foster friendship and promote trade and investment between the two countries.

Administered by each countries' national chamber of commerce, the business councils will provide the mechanism for liaisons and consultations between each countries' private sector. It will also serve as a venue for information exchange and discussion of various business activities.

The memorandum of understanding on tourism aims to strengthen tourism linkages which can be mutually beneficial for both parties.

The memorandum of understanding on establishing a deep-sea fishing venture signed by Philippine and Brunei deep-sea fishing companies commits both companies to jointly conduct and study establishing deep-sea fishing and fish processing operation.

The signing of the agreements were witnessed by President Ramos.

It is believed that the agreements will help the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area.

Thailand

Law Suit Filed Against Foreign Minister

BK0608101094 Bangkok BANGKOK POST in English 6 Aug 94 p 1

[Text] Chat Thai Party deputy leader Watthana Atsawahem filed a suit with the Criminal Court yesterday accusing Foreign Minister Prasong Sunsiri of revealing official secrets which had caused him and the civil service damage.

The suit cited the official secrets angle in an effort to get around the parliamentary privilege which protects Sqn Ldr [Squadron Leader] Prasong from prosecution for revealing a document from the U.S. embassy suggesting Mr Watthana was suspected of links to the drug trade.

American lawyers have also flown in to advise Mr Watthana on how and who he can sue in the United States.

The suit stated that Sqn Ldr Prasong was a political official in the post of Foreign Minister responsible for administering the country and keeping official secrets.

Instead, it said, he revealed official secrets on July 28 by reading out a three-page document from the U.S. Embassy in Bangkok, dated July 25, which was in answer to a query from the ministry concerning the reasons for refusing Mr Watthana a visa to the US.

Mr Watthana said in the suit Sqn Ldr Prasong quoted from the document during a House of Representatives meeting even though this had nothing to do with his duties.

Mr Watthana said the document stated that "the U.S. has sufficient information to believe that Mr Watthana has been involved in the drug trade in various ways for more than 20 years.

"The information also makes the U.S. believe that Mr Watthana has assisted drug traffickers in return for benefits from them.

"The U.S. also believes that Mr Watthana also sells drugs to clients overseas and inside Thailand and invests in the trading of heroin, marijuana and other drugs.

"He also protected drug traffickers in return for a tremendous monetary return."

Mr Watthana is a former deputy interior minister.

The opposition MP said the information in the document was an official secret between the Foreign Ministry and the U.S. Embassy.

It was a secret which dealt only with Mr Watthana and Sqr Ldr Prasong should have protected it.

He said the Foreign Minister had no right or duty to reveal the information with the intention of causing damage to Mr Watthana and the civil service.

Mr Watthana said the action was intended to damage his reputation to make the general public think he was involved in the drug trade.

This was damaging to his honour as an MP and damaging to his family.

He said it constituted a violation of the Criminal Code because it was an erroneous exercise of official duty.

The court set September 7 for a first preliminary hearing into the case.

Mr Watthana's lawyer, Phairin Manunphet, said Sqn Ldr Prasong could be sued because he would not be protected by parliamentary privilege for revealing official secrets.

The disclosure by Sqn Ldr Prasong was made during an in camera meeting but Mr Phairin said the Foreign Minister had said publicly the U.S. allegation was a personal matter between Mr Watthana and the U.S. government.

As a personal matter and not a public matter, the Foreign Minister should not have revealed it, he said.

Since it caused damage to Mr Watthana, the MP has the right to sue Sqn Ldr Prasong.

Mr Phairin said American lawyers had already arrived in Thailand to consult with Mr Watthana about who he could sue in the U.S.

Mr Watthana earlier said he would sue U.S. President Bill Clinton, the American Ambassador to Thailand David Lambertson and the USIS director.

"We will have to assess the limitations of the U.S. laws on who we can sue. If we can file a civil suit for damages in the U.S., then I can assure you Mr Watthana will certainly do so,' said Mr Phairin.

Article Cites U.S. 'Interference' Through CIA

BK0608135294 Bangkok SIAM RAT in Thai 6 Aug 94 p 6

[Column: "Political Junction" by "Senior But Not Old Journalist"]

[Text] The opposition-staged no-confidence debate against certain cabinet ministers drew much attention from the people and concluded with a vote of confidence for those ministers. It is apparent that the United States, through its diplomats and public relations campaign, played a considerable role in the no-confidence debate.

This is because the U.S. Government supplied information to the Thai Government to use in the debate against the opposition. This information, passed to the Thai Government by the U.S. Embassy, alleges that involvement by national-level Thai politicians in drug trafficking resulted in their being denied visas to travel to the United States.

Most Thai people are quite angry with the U.S. Government because they feel that the release of such information by the Thai foreign minister in the parliament amounts to an insult to the honor of Thailand and the Thai people. They feel that the allegation is unfounded and defamed a senior politician, whose past was honorable and future bright. They feel that the slander by the Thai official from information supplied by the United States and the document in question damage the politician's future.

The true intention of the U.S. Government, however, is not only to engage in political interference in Thailand in the context of the narcotics treaty between the two countries. The motive of the U.S. interference on this occasion has an international angle to it.

That is, as the Thai Government, through the Foreign Ministry, presented information about the U.S. charges about Thai politicians' involvement in drug trafficking, the U.S. Government seized the opportunity to interfere in Thai politics to instigate disputes among Thai politicians and political parties so that they will destroy each other.

This type of political interference has been used by the United States in several countries, particularly underdeveloped ones. Once this action was carried out, the U.S. Government would provide technical, financial, economic, trade, and even military assistance to those countries in order to gain their respect and reverence, thus making the world view those countries as U.S. satellites or protectorates.

Dozens of small, newly-formed countries have fallen victim to this U.S. policy.

It seems that the United States also has Thailand is its sights. Because Thailand has never been colonized by any superpower and has always remained independent, it has never been as underdeveloped as some other countries. Despite this condition, the United States provided assistance to Thailand, hoping that Thailand and the Thai people would help strengthen its status as the sole superpower.

To gain awe, respect, and fear for its superpower status, the U.S. Government has a secret foreign policy which employs assorted tricks against the recipient countries to create disunity, disrupt internal peace, or even a launch a coup if possible.

This is so that the United States may intercede in order to mediate the situation, as well as provide aid so that the other country would be more reliant on it and thus owe it deep gratitude.

To implement this policy, the United States has several agencies skillful in finding ways to evoke the reactions desired from the people in the target country. It appears that the United States has been successful in this endeavor because its specialists are given continuous training in this area. These trained specialists are then posted abroad in open and covert positions.

The U.S. agency which carries out this specific mission is the CIA.

In Thailand, it is believed that the CIA operation is concealed in many guises. All CIA officials are American, be they businessmen, technocrats, or teachers, but most are diplomats. CIA officials are good at using diplomatic privileges to aid their mission. They operate secretly with the aid of diplomatic cover in major operations. They also exploit their diplomatic privileges for minor operations, but work openly.

Most countries which have diplomatic relations with the United States are victims of these U.S. operations. The closer a country maintains relations with the United States, such as Thailand, the more CIA officials it has operating within its borders. As Thailand looks respectfully up at the superpower status of the United States, CIA officials have flocked to it in the capacity of businessmen and other covers. Some of these CIA officials are permanently assigned to Thailand to accomplish their missions. Some use Thailand as the center and transit point for their operations in nearby countries.

The Philippines was once the center for CIA secret operations in Vietnam, Laos, Cambodia, Singapore, and Indonesia. Once the Philippines became independent, however, it became less convenient to operate from and the center shifted to Thailand.

Thailand, however, has not been spared CIA operations, despite its being the CIA center of operations. Moreover, Thai politicians at the ministerial level have cooperated with secret CIA operations, turning Thailand into a gathering place of CIA officials and a convenient place to operate covertly or openly due to the cooperativeness of Thai people.

In fact, a very able CIA chief performed a successful operation in Thailand. That operation resulted in a change in Thailand, the Thai Government, and its political direction.

In 1957, Army Commander Field Marshal Sarit Thanarat staged a coup to topple the government of Field Marshal Plaek Phibunsongkhram, associated political parties, and several senior politicians.

This coup was the work of the CIA, which had established its center in Thailand. The 16 September 1957 coup was so comprehensive that democracy in Thailand was completely uprooted.

That was the accomplishment of the CIA in Thailand some 37 years ago.

Request for Sending Thai Suspects Rejected

BK0608104594 Bangkok BANGKOK POST in English 6 Aug 94 p 7

[Text] Prime Minister Chuan Likphai yesterday dismissed any possibility of Thailand's sending Thai nationals accused of involvement in a recent Cambodian coup attempt to Phnom Penh for questioning.

Speaking in Hat Yai, Mr Chuan said he had not yet received any formal request from the Cambodian government to hand over two Thai suspects as widely reported by the Thai media.

In principle, he said, Thailand would have to study the charges and international laws if such a request was made.

Cambodia's Co-Premier Prince Norodom Ranariddh on Wednesday asked Thailand to hand over two Thais—one identified as Pol Lt-Col [Police Lieutenant Colonel] Adun Bunset, a former MP of the New Aspiration Party—for questioning in connection with a coup bid against the current Phnom Penh government on July 2-3.

Mr Chuan said it would be impossible for Thailand to send its own citizens to face legal action in other countries without knowing what crime they had allegedly committed.

Talking about 14 Thais still being held as coup suspects in Cambodia, Mr Chuan said Phnom Penh had the right to hold them for questioning.

By international standards, he said, Cambodia could hold the group for questioning for a period of time, but after that the suspects' home country also had the right to ask Cambodia to speed up its investigation .

Cambodia could file charges and take legal action against the group if it had evidence to substantiate its charges, he added.

Prime Minister Chuan said he still had no idea if Cambodia had set a time frame to complete the investigation, adding that the Foreign Ministry had been instructed to coordinate with Cambodia on this matter.

He said Thailand would take further diplomatic steps to help the 14 Thais if Cambodia continued to hold them without filing any charges.

Meanwhile, National Security Council chief Gen Charan Kunlawanit said Thailand had already summoned the Cambodian ambassador in Bangkok to receive an aide memoire concerning the problem.

Gen Charan said Thailand might have to take more severe diplomatic steps.

The severest would be to expel the Cambodian ambassador, Gen Charan added but noted that he could not say when it would be necessary for Thailand to do so.

Cambodians Said Unlikely To Question Thais

BK0608105094 Bangkok THE NATION in English 6 Aug 94 p A4

[Text] Cambodian authorities are unlikely to come to Bangkok to question two Thais they suspect of being key figures in the failed coup attempt last month in Phnom Penh, because they are afraid of resistance from the Thai public, Foreign Minister Prasong Sunsiri said yesterday.

Prasong said, however, that Thailand would provide full cooperation if the interrogation takes place here.

"I believe the Cambodian side will not come here, as they are afraid they would face resistance from the Thai public after having detained 14 Thais (in Phnom Penh) without charge. Such detentions violate international laws and Cambodia's own domestic legislation," Prasong said.

"Cambodia should be aware that it has detained the 14 Thais without any charge for more than one month. The detention without charge of innocent people can irritate the Thai public's feelings."

Cambodia's Prince Norodom Ranariddh has asked for the return of two Thais so that an investigation into the alleged involvement of the Thais in detention can be completed. The premier identified one of the men as Pol Lt Col [Police Lieutenant Colonel] Adun Bunset, a former New Aspiration Party MP.

The other was identified as Thanongsak Suratnanun, the executive director of Hightech Antenna, based in the Rangsit area. Thanongsak claimed that 13 of the detainees belong to his company, and entered Cambodia to conduct a technical survey.

"The Thai government has no authority to force its citizens (to go to Cambodia) if they are not willing to go," Prasong said. He said there was nothing he could do if the two men refused to go to Cambodia for questioning and Cambodian officials would not come here.

Thanongsak yesterday said he would offer his full cooperation if the interrogation is conducted in Thailand.

"The Cambodian government is hunting for scapegoats for a failed coup in its own country. It is behaving like a bandit by blaming Thai people for what happened there," he said.

He said no one could guarantee his safety if he went to Phnom Penh for questioning.

He said he is seeking help from Magsaysay Award-winning lawyer Thongbai Thongpao to represent the 14 Thais under detention.

Thanongsak said he had entered Phnom Penh on June 30 with three of the company's technicians, one of whom is his younger brother. He claimed that he left Phnom Penh by car on the same day the 14 Thais were taken into custody at Pochentong airport.

"I heard of the arrests when I was leaving Phnom Penh. I did not know at the moment that my brother was one of those arrested. I learnt of his arrest when reached the border province of Battambang," Thanongsak said.

He claimed that he had gone to Battambang for business, and added that he did not know Adun, the other Thai sought by Cambodia.

In a letter to the Foreign Ministry seeking help for the group, Thanongsak identified one of the detainees, Narongchai Tantiwanit, as belonging to his company. Adun later claimed that Narongchai was his aide.

"I identified Narongchai as belonging to my company after consulting with others, and deciding that help should be sought for everybody in the group," he said.

Border Provinces To Have Increased Security

BK0608110394 Bangkok BANGKOK POST in English 6 Aug 94 p 6

[Text] Security will be beefed up in five southern border provinces for the next three months, a period when terrorists groups traditionally increase their activities to attract financial aid from foreign sources.

The special preparations were ordered yesterday following reports on the southern security situation from Fourth Army Region Commander Kitti Rattanachaya at a seminar of senior officials of the Interior Ministry, the National Security Council [NSC] and police and military units in this southern tourist town.

Military and police forces in Songkhla, Yala, Pattani, Narathiwat and Satun were told to step up patrols in areas prone to sabotage.

A source said Lt Gen Kitti told the meeting separatist movements normally stage terrorist acts during the months of August, September and October so financial aid would be continued.

More than 30 schools in Yala, Pattani and Narathiwat were set on fire simultaneously in August last year and authorities believe separatist bandits were behind the attacks.

The source said National Security Council Secretary-General Charan Kunlawanit also warned that special preparations should be undertaken in other important areas including Bangkok.

Gen Charan said after the seminar that participants had discussed economic development, socio-psychological strategies, politics and local administration, peace keeping foreign affairs, public relations campaigns and policy management.

The National Security Plan to be implemented from this year to 1998, will use economy led strategies as a key instrument in protecting and maintaining security in the country, according to Gen Charan.

The NSC secretary-general said special attention would be given to boosting intelligence operations cooperation and providing adequate allocations for the development of the region, particularly in the southern provinces.

He said although the policy implemented in 1978 had proved successful in restoring peace and order in the South to a certain extent, some problems remain unsolved.

These include the lack of understanding between local people and state authorities and an inadequate state budget for development projects.

Gen Charan said the NSC would use the recommendations made at the seminar to work out an operation plan to develop and solve problems in the five southern border provinces.

Army Spokesman Reiterates Noninterference Policy

BK0808095394 Bangkok THAI RAT in Thai 8 Aug 94 p 3

[Text] Commenting on the Khmer Rouge's appeal for foreign military assistance, Army Spokesman Colonel Phalangkun Klahan said the fighting in Cambodia was the internal affair of that country and the Thai Army has a policy of not getting involved. However, he noted that Thailand had not complied with the request for military aid because fighting in Cambodia always affects the Thai villagers living in the border areas and brings about many other problems for Thailand.

Pointing out that the Army must comply with the government's policy, Colonel Phalangkun Klahan added that, while the Cambodian Government has the right to ask for military assistance from foreign countries, Thailand is afraid of the effects of the fighting in Cambodia. He said the Cambodian problem should be settled through political means. However, foreign countries will have to use their own judgment in providing any form of assistance for Cambodia.

Article Opposes Cambodian Detention of Thais

BK0808111394 Bangkok THE NATION in English 8 Aug 94 p A6

[Article by Marisa Chimprapha Entitled: "Thais Caught Up In Phnom Penh's Web Of Political Intrigue"]

[Text] The five-week-long detention of 14 Thais in Cambodia in connection with the failed coup attempt is only part of a coverup of growing rifts inside Cambodia's coalition government, regardless of whether the Thais were involved in the ill-fated plot.

Cambodia sent Prince Norodom Chakkrapong, believed to have lead the 200 troops involved in the coup bid, into exile in Malaysia, and it has kept silent about what another coup leader, Gen Sin Song, told investigators.

Cambodia rounded up the Thais at Phnom Penh airport immediately after the rebel troops were stopped outside the capital on July 2. Initial reports from Cambodia which claimed that the group was arrested at Prince Chakkrapong's house, were later changed.

Interior Minister Yu Hockkri, co-chairman of the investigating team, should find an easier method to dig into the identity of those behind the plot; he only needs to ask Gen Sin Song, who has been under house arrest since last month. Co-Minister of Interior Sar Kheng, who is suspected of masterminding the coup attempt, also chaired the team.

Thailand has respected Cambodia's rights concerning the case, waiting to see the outcome and providing full cooperation. Its patience started to run out when the detention was prolonged to one month on August 3 and Cambodian authorities had failed to file charges against any member of the group.

An observer has said that "anything can happen in Cambodia." A very senior Cambodian cabinet member told reporters that nine of the 14 Thais were sharpshooters and explosive specialists, but the following day he refuted that, claiming that the reporters had fabricated the story.

Phnom Penh-based Ambassador Sakthip Krairoek said that Phnom Penh had asked him not to reveal the outcome of the investigation until it is finalized. Despite this, speculation about the group has been released by the Cambodian side.

However, it was Yu Hockkri who informed a news agency that one of the group confessed that its job was to cut electricity supply and jam the telephone network in Phnom Penh to facilitate the coup attempt.

"If the report that a man confessed that way is accurate, Cambodia has no reason to stay silent, it should file charges against him," said Thai Foreign Ministry spokesman Suwi Simasakun.

"Phnom Penh investigators had finished two rounds of the probe of the 14 Thais by the middle of last month. The conclusion report was already sent to Yu Hockkri, but nothing come out to the public," said the observer.

The arrest and the investigation into the 14 Thais has been highlighted as if they are the coup leaders. One month is enough and there is no legislation in any country to allow such long detentions of people without any charge being laid.

Observers said the lack of legislation enables Phnom Penh to do whatever it wants, even when dealing with foreigners.

When Prince Ranariddh said only Khmer lawyers would be allowed to stand before the court to represent the 14 Thais, he should have realized there are only three qualified Khmer lawyers in Cambodia.

Observers say it is likely that none of them would dare represent the Thais.

Although this case is relatively small by comparison with events in Thailand's western neighbour, Cambodia is repeating what happened in Burma, where the military junta has detained Aung San Suu Kyi for five years without any charge. Cambodia's government is freely-elected and legitimate, while Burma's is not.

The detention without charge of the Thais has jeopardized the shaky relationship between Thailand and Cambodia. Cambodia again pointed the finger of blame at the Thai side when it couldn't solve the problem on its own.

The same observer said Cambodia, by nature, tends to act offensively while its immediate neighbour, Thailand, has a defensive foreign policy. Therefore, the two countries' verbal attacks on each other usually emerge from the Cambodian side, including frequent claims that Thailand still supports the Khmer Rouge.

A senior Asian diplomat in Phnom Penh told THE NATION recently that Cambodian Co-Prime Minister Hun Sen was satisfied with the first round of the investigation into the Thai's presence but his premiership partner Prince Norodom Ranariddh was not, so he ordered the second round.

Hun Sen, leader of Cambodia People's Party (CPP), knew what was happening on July 2, said the diplomat, and he knew that not all the Thais were involved. The diplomat said that the CPP and the Funcinpec [National United Front For An Independent, Neutral, Peaceful, and Cooperative Cambodia] party of Prince Ranariddh have been watching each other closely since the beginning of the coalition in 199].

Hun Sen's party still controls security-related ministries, including defence and interior, although the Funcinpec appoints representatives to co-chair the ministries. Rifts inside the CPP have been increasing as some members believe that Hun Sen is holding too much power. Prince Chakkrapong, who is thought to be moving his shelter from Malaysia to France, is also a CPP member and foe of Prince Ranariddh.

The coup attempt, if that was really happened, shows that party members are unable to control Hun Sen. Rumour has it that a second coup attempt may come from the CPP side, not the Funcinpec, as the former holds more power over the military.

Moreover, Phnom Penh has been asking many countries to supply it with weapons, and a long drawn-out war could erupt as the government now holds legitimate rights to instigate war with the Khmer Rouge guerrillas which it outlawed last month.

Many countries have given Phnom Penh hope that it will get the weapons it is requesting. However, during their recent meeting in Bangkok, Asean members and their dialogue partners made it clear that they would consider provision of military training as a priority, and would consider the weapons request later.

Phnom Penh could be outraged at the outcome as Bangkok informed the Asean gathering, when asked, that weapons are unable to solve what it called political conflict with the Khmer Rouge.

The initial signs from Cambodia about the future of the 14 Thais were promising. Before attending the Asean meeting, its Foreign Minister, Prince Norodom Sirivut, said in Phnom Penh that the case should not jeopardize the "good" bilateral relations between Cambodia and Thailand. This was in sharp contrast with the "negative" comments usually made by the prince when he is asked about the relationship. Some had even expected that the Thais would be released during the Asean meeting.

Senate President Michai Receives Trade Delegation

BK0708144694 Bangkok ZHONG HUA RIBAO in Chinese 5 Aug 94 p 3

[Text] Senate President Michai Ruchuphan received an economic and trade delegation from China's Henan Province at the National Assembly Building at 1000 on 4 August. The Chinese delegation was led by Lin Ying-hai, chairman of the Henan Provincial People's Political Consultative Council. The host and guests held friendly and cordial talks. The Chinese delegation is on a friendly visit to Thailand at Michai's invitation.

Senate President Michai welcomed the delegation and pointed out that the friendly relations between the two countries go back to ancient times. The two sides should contribute to the promotion of bilateral relations and economic and trade cooperation. Regarding an invitation for him to visit China's Henan Province, he said that he would pay the visit at an appropriate time. The Shaolin Temple and Bao Wenzheng [a famous Chinese imperial official] are well-known throughout the country and abroad. He also wished the delegation complete success on its visit to Thailand.

During the talks, Chief Delegate Lin Yinghai briefed Michai on the major points of Henan Province. He also invited Michai and people from all circles to visit Henan for sightseeing and for talks on investment cooperation. The host and guests also took pictures together and exchanged souvenirs.

Burma Seeks Official Action on Illegal Logging

BK0708114294 Bangkok THE SUNDAY POST in English 7 Aug 94 p 1

[Text] Burma wants Thai authorities to take action against eight Thai logging companies over alleged illegal timber operations inside Burma after Rangoon banned the contracts at the end of last year.

Interior Ministry sources said yesterday the Burmese request came in separate complaints through the Thai-Burmese regional committee and the Foreign Ministry.

The sources declined to name the eight companies but said they were among 14 Thai logging operators who lost their concessions when Rangoon terminated them at the end of last year.

The problem would be reported to the Cabinet along with the outcome of a recent Thai-Burmese regional border committee meeting, the sources said.

Burma claims the companies continued to operate and falsified official documents to certify the origin of the logs.

Officials of state agencies inspected logs and documents of the eight companies but failed to obtain any evidence to verify the Burmese accusation, the sources said.

Despite its decision to end logging contracts with the 14 companies, Burma has allowed four new firms to operate for logs in Burma since the end of last year.

They are Thai Sawat Import-Export Co, Chiang Mai B. & F. Co, Burapha Thanhin Co and West Group Co.

Thai Sawat Import-Export and Chiang Mai B. & F. were allowed to operate for 10,360 and 1,660 hoppus tons of wood out of Burmese territory opposite Ban Arunothai in Chiang Mai's Chiang Dao district.

Burapha Thanhin was permitted to take 200,000 cubic metres of wood through Chong Singkhon border pass in Muang district, Prachuap Khiri Khan.

West Group was allowed to operate for logs and take them by sea to Ranong province. The contract volume was not available, the sources said.

The sources said the National Security Council, Interior Ministry, Forestry Department, Customs Department and Supreme Command Joint Security Centre were checking the operations of the four companies.

Meanwhile, the Defence Ministry is expected to ask the Cabinet to endorse the agreement reached at ninth Thai-Burmese Regional Border Committee in Bangkok in April.

The agreement called, among other things, for Thailand and Burma to open permanent border checkpoints in Mae Sai district of Chiang Rai, Mae Sot in Tak and in Ranong to promote tourism and cross-border trade.

Burma at the same meeting agreed to set up reception centres to accept illegal immigrants and workers to be repatriated from Thailand.

The Burmese asked for the Thais to provide an advance list of names of the returnees.

Details of the repatriation scheme will be discussed by members of the border committee before they are proposed for consideration at the tenth Thai-Burmese Regional Border Committee meeting to be held in Taunggyi.

The Interior Ministry and the Supreme Command's Joint Security Centre have been assigned to take responsibility in working out details of the Thai side, the sources said.

The two countries also agreed at the meeting on the protocol in handling border violators.

Under the agreement, ordinary border trespassers caught in one country will be handed over to the local border committee of the other country provided that they are not criminal fugitives.

In the long run, the task of handling border violators will be taken over by the authorities manning the permanent border checkpoints in different areas that will be set up.

Both countries agreed to cooperate more on cultural sports and religious activities and exchanges.

The sources said Burma complained about airspace violations by Thai aircraft and called for state organisations to devise measures to prevent these, the sources said.

The Thais asked that Burma treat Thai fishermen and logging operators, caught working illegally, with leniency.

Detention of Iranian Bomb Suspects Continued

BK0608113594 Bangkok THE NATION in English 6 Aug 94 p A4

[Text] The Criminal Court yesterday ordered that three Iranians suspected of planning to bomb the Israeli Embassy in March be detained in custody for 12 more days, until Aug 19.

It was the sixth time the detention of Hossein Dasgiri, Babak Taheri and Basr Kasemi had been extended.

Public prosecutors told the court that police had not finished their investigations into the case, which was diplomatically sensitive and could affect Thailand-Iran relations.

The court approved the extension, but gave instructions that police must explain to the court why the investigation had been delayed.

Lawyer Somchai Nilaphaichit, representing the suspects, said prosecutors had no proper reason to ask for the extension. He said prosecutors should set the three free if they had no evidence to take legal action against them.

Dasgiri has been charged with murder and illegal possession of explosives, the two others have been charged with falsifying documents.

The three were arrested in Hat Yai on June 3, 10 weeks after Lumphini police found explosives in a water tank on the back of a truck. The truck had been taken to the station after it was involved in an accident with a motorcycle taxi on Chitlom Road.

Police suspect the bomb-laden truck was to be used to attack the nearby Israeli Embassy. The Iranian Embassy has claimed that the three are being made scapegoats.

Editorial on Authorities Banning Al-Arqam

BK0608151794 Bangkok THE NATION in English 6 Aug 94 p A4

[Editorial: "Banning Al-Arqam Will Only Breed Dangerous Fanatics"]

[Text] Malaysia's National Fatwa Council, the body that rules on Islamic orthodoxy, decided yesterday that the Al-Arqam group has sharply deviated from Malaysia's religious mainstream.

Such a ruling now gives legitimacy to the government of Prime Minister Mahathir Mohamed to crack down on the unorthodox Islamic group using a battery of laws available in the country to silence dissidents. Kuala Lumpur said it will use the Secret Society Act, the Education Act, Societies Act, Printing Presses and Publication Act, Trade Description Act and the National Film Development Act against the sect.

Al-Arqam which began as a study group among Muslim scholars in Kuala Lumpur in 1968 now has about 10,000 members in Malaysia and 100,000 sympathizers, according to the Malaysian Home Ministry. Al-Arqam however says it has roughly 60,000 Malaysian members—civil servants, politicians, professionals and military officers—and many more sympathizers. Among the most prominent members of the group is Tamrin Abdul Ghafar, an MP belonging to Mahathir's United Malays National Organization (Umno), and the son of former deputy prime minister Ghafar Baba.

The mind-boggling question is why did Kuala Lumpur have to wait for 25 years before taking action against Al-Arqam if they were suspected of spreading deviant teachings? It is an open secret that Al-Arqam was used as a buffer by the Malaysian government against the opposition fundamentalist Parti Islam Malaysia (PAS) and in the 1990 elections, the group led by Ustaz Ashaari Muhammad swayed fundamentalist votes in favour of Umno, to deny PAS any victory whatsoever, other than in the state of Kelantan.

Clearly, in the eyes of regional policeman Mahathir Mohamed, Ashaari is the problem in Al-Arqam. Within a matter of two months after allegations were made that the group had plans to take over Malaysia by using a suicide squad trained in Thailand, religious ministers from Singapore, Indonesia and Brunei, under the prodding of Kuala Lumpur, banned the Al-Arqam leader from their countries.

Thai authorities interviewed by this paper have found no evidence to back up the allegations against Al-Arqam, and investigations have revealed that the religious group in fact was more preoccupied with its legitimate business activities in Chiang Mai than giving lessons in commando warfare to hit men.

And it is precisely these business interests that are worrying the Malaysian government. Within 25 years, Ashaari has transformed Al-Arqam into a business conglomerate with concerns ranging from food processing, property, textiles, airline ticketing to health services. What started in 1968 as a small religious organization aimed at cultivating personal morality among Muslims through adherence to the rituals of Islam has now become a large business empire spanning Asia, North America, the Middle East and the Muslim states of the former Soviet Union, and boasting assets of more than 300 million ringgit (US$115.9 million).

The crux of the problem is that Ashaari now is harbouring intentions of entering politics and firmly believes that he is the Imam Mahadi (the Messiah) who will return to Malaysia this year from his self-imposed exile in Thailand to become the country's prime minister. To back his ambitions, the Al-Arqam leader has US$ 115.9 million worth of assets at his disposal.

Mahathir has dropped strong hints that snap general elections could be held this year and to ensure the ruling coalition government's two-thirds victory in the polls, under no circumstances would the premier want to see the emergence of another Muslim party that could pose a serious threat to his Umno.

Backed by Deputy Prime Minister Anwar Ibrahim, who is on a personal vendetta against al-Arqam because the group backed his rival Ghafar Baba at the height of the Umno party elections late last year, Ashaari now is portrayed by the Malaysian government's propaganda machine as another David Koresh or Jim Jones.

The indisputable fact is that Al-Arqam's teaching has captivated the hearts of Malay professionals and the elite in the universities, the very middle class that Umno has relied all this while as its bastion of strength.

Clearly, there is a sense of spiritual discontentment in the country and the behaviour of many Umno politicians leading profligate lifestyles, while claiming to adhere to the principals of Islam, is certainly no consolation at all. If Mahathir wants to clip Ashaari's wings, the prime minister must first do some soul-searching within his own party.

Knee-jerk responses in trying to outlaw Al-Arqam will only breed dangerous fanatics that will bode ill for Malaysia and play directly into the hands of fundamentalists in PAS. Religious extremism certainly has no place in multi-racial societies and Malaysians can definitely weigh for themselves Ashaari's claims that he has had conversations with the Prophet Mohammed.

As far as Thailand is concerned, there should be no reason for the authorities to ban entry to Ashaari as long as he acts within the confines of the country's laws. Thailand, unlikely other Asean countries, should not be made a player in Malaysia's domestic power struggle.

Commander Criticizes Admission of Chakkrapong

BK0708100394 Bangkok THE SUNDAY NATION in English 7 Aug 94 p A2

[Text] Cambodian Prince Norodom Chakkrapong, who is accused of involvement in last month's abortive coup against the Phnom Penh government, should not have been allowed into Thailand, First Army Region commander Lt Gen Chettha Thanacharo said yesterday .

Chettha said Chakkrapong's presence could cause the Cambodian government to think he had dealings with the Thai government, a belief which could adversely affect bilateral relations.

Chakkrapong, who is in exile, arrived in Bangkok from Malaysia on a private visit on Thursday. He is believed to be visiting his wife and son, who live in northeastern Bangkok.

Prime Minister Chuan Likphai has defended the visit, saying that the prince has not been formally charged with leading the coup.

Chettha yesterday also expressed his concern for the 14 Thais detained in Cambodia on suspicion of being involved in the failed coup.

A senior Foreign Ministry official said on Friday that Prince Chakkrapong, who holds a French passport, is waiting transfer to France. He said holders of such a passport are legally allowed to stay in Thailand for no more than two weeks when in transit.

Government officials yesterday said the prince is expected to leave soon.

Deputy Supreme Commander Gen Prasoet Sorarit yesterday said he believed the 14 Thais detained by Phnom Penh were not involved in the failed coup attempt.

The Foreign Ministry announced in a statement that the Cambodian government had given Bt32,500 in compensation to Thai villagers who came under fire from Cambodian soldiers in Aranyaprathet district, Sa Kaeo province, during March and April.

The Cambodian government had promised to pay another Bt30,000 at a later date, the statement said.

Alleged Extortionists Killed by Own Grenade

BK0708101194 Bangkok THE SUNDAY NATION in English 7 Aug 94 p A1

[Text] Narathiwat—Two men believed to be members of the Pattani United Liberation Organization (Pulo) separatist movement were killed on Friday evening when a grenade carried by one of them accidentally exploded while they were on their way to extort money, a senior police officer said yesterday.

The two men were travelling by motorcycle to Nara Parawood Co in Narathiwat province to "demand Bt3 million in protection fees", said Pol Lt Gen [Police Lieutenant General] Michai Nukunkit, assistant national police chief overseeing Police Region 9.

The two men, aged between 20 and 25, were identified later as Suding Maseng and Ropah Mahama.

At the site of the blast, a letter was found telling the company owner to bring Bt3 million to either Narathiwat's Si Sakhon district or Pattani's Panare district within seven days, Michai said.

The letter also threatened the life of the company owner if he did not comply with the demand, he said.

The blast was believed to have been caused by a hand grenade being carried by one of the two in order to threaten the Nara Parawood Co owner.

Their badly mutilated bodies were found on Phetkasem Road, only 100 metres from the company, which is located in Yi-ngo district.

Michai said the two had been on police's criminal list as followers of Haji Daoh Thanam, a notorious southern terrorist and leader of a new faction of the Pulo.

They had involved in several crimes in the South, including an arson attack on a gas station and demanding protection money from a number of rubber plantation owners in Narathiwat, he said.

Speaking on terrorist activities in the South, he said police now had the situation under control.

He said any terrorists who gave themselves up would be treated leniently.

The southern terrorists were now divided into three groups: political; armed, with about 110 personnel; and local sympathizers, Michai said.

Prime Minister Chuan Likphai, in an interview in Songkhla province, said yesterday he had already been informed about the blast in Narathiwat.

He said the two may only be ordinary criminals who used the Pulo name to get protection money.

Chakkrapong Leaves Bangkok for France

BK0808104494 Bangkok SIAM POST in Thai 8 Aug 94 pp 1, 16

[Text] A source in the Thai Government disclosed that Prince Norodom Chakkrapong, who was forced to leave

Cambodia following the abortive coup attempt in July, left Bangkok late Sunday night to take political refuge in France.

According to a source in the Cambodian Embassy, Prince Chakkrapong, who used to live in France, still holds a French passport. He arrived here on Thursday night on his way to France. Meanwhile, officials at the Foreign Ministry confirmed that Prince Chakkrapong had not sought permision to stay in Thailand. He stopped over in Bangkok to see his Thai wife and son(s). It is still unknown if his family followed him to France or not. The details of his travel were kept confidential.

Prince Norodom Chakkrapong, a son of Cambodian King Norodom Sihanouk and a former interior minisrter, was accused of colluding with former interior minister General Sin Song in the abortive coup attempt in early July.

General Sin Song was arrested by the government less than 24 hours after the coup attempt as Prince Chakkrapong was forced to leave the country. Prince Chakkrapong chose to go to Malaysia. However, the Malaysian Government late last month announced that it wanted the prince to leave Malaysia as soon as possible because the two Cambodian prime ministers are scheduled to visit that country in early August.

Malaysia Urged To Reconsider Al-Arqam Ban

BK0708114594 Bangkok THE SUNDAY POST in English 7 Aug 94 p 22

[Editorial: "Malaysia's Ban of Al-Arqam Poses Risks for Regional Security"]

[Text] Malaysia last week banned a radical Islamic sect from practising and propagating its faith in the open, saying its teachings have posed a threat to the security of the country. A high-ranking government official claims: "They are the biggest threat faced by the government since the communist threat. Anything that spreads through religion is not easy to eradicate."

The group, known as Al-Arqam, was founded in 1968 by its charismatic leader Ustadz Ashaari Mohamed, now 58. The aim of the sect is to bring wayward Muslims back to the faith and to show, by example, how a good Muslim should behave. It also believes in self- reliance in that a Muslim should not depend on the non-Muslim world for his daily needs.

Today, the mystical Sufi sect that believes an Islamic messiah is coming soon before a prophesied doomsday, has probably become the largest non-political Muslim organisation in Malaysia. It has also become a source to be reckoned with by Prime Minister Mahathir Mohammed and his ruling Umno (United Malays National Organisation) Baru Party.

It claims to have a following of more than 100,000 in the country and millions of supporters around the world, with schools in Malaysia, Singapore, Indonesia, Pakistan and Thailand. It also has a business empire estimated at 330 million Malaysian ringgit or US$125 million.

To ensure the dictatorial decree works, the government has slapped the sect with all its available laws including the Education Act, Society Act, Printing Presses and Publication Act and the National Film Development Act.

All these Acts, which Malaysia is famous for, not to mention the notorious and outdated Internal Security Act, make it illegal for Malaysia's Muslims, about half the population of 19 million, to own, print or sell any of the group's literature, films, audio cassettes, posters, advertisements and other materials. More than 200 schools run by the Al-Arqam will have to be shut down. Its businesses like mini-markets, farms, food-processing factory and others can no longer carry the sect's logos.

Ashaari Mohamed and his followers have also been barred from entering three countries belonging to the Association of Southeast Nations Singapore, Brunei and Indonesia—because of their beliefs and apparently to appease the Mahathir government. The decision was taken after a two-day meeting of Asean religion leaders recently held at the Malaysian resort of Langkawi. Members from the Philippines and Thailand were also present. They did not agree with their counterparts.

The Malaysian government's claim that the Al-Arqam group poses a threat to national security stemmed from a claim the group was planning to use force but had never started an army. Mahathir explains: "They did advocate some form of military action. They didn't actually get down to setting up this army of theirs but they have a pamphlet which said that at some stage we need some kind of force to achieve our target. That is what we are referring to."

We think it's rather presumptious on the part of Mr Mahathir to assume the word "force" meant an army. Thailand has already debunked Malaysia's claim that the Muslim sect has been training suicide warriors in this country. This was later admitted by an official of the Islamic Affairs Division of the PM's Department as "a propaganda exercise" to get people ready for a comprehensive fatwa (Islamic decree) banning the group.

What kind of force could the pamphlet be referring to? A political force perhaps? In a recent interview in Chiang Mai, Ashaari Mohamed told reporters that Kuala Lumpur was determined to ban his movement because he had become more popular than the prime minister.

"In fact, I am prepared to face a national referendum against Mahathir and the people can judge for themselves who of us can garner most votes."

Despite claiming he has no intention of entering politics, the charismatic leader said he was prepared to assume the premiership if Malaysians wanted him to do so. And with his 330-million-ringgit business empire he is no doubt in a position to become the next prime minister.

What is it that Mr Mahathir is really concerned about? Is it an Islamic sect that advocates self-reliance and chooses to abide strictly by Islamic laws? Or is he worried about the emergence of a new political party which could prove a potential threat to Umno Baru?

If it's the former, Malaysia is violating a basic human right by depriving a group of its people of the freedom to worship. If it's the latter (a case of political expediency) then the country could be embarking on the path of political suicide and instability in a multi-racial community by outlawing a group of people who are determined to see their goal of religious freedom fulfilled.

If they are deprived of rights as Malaysian citizens to propagate their faith and do business in the open without hindrance, there is a danger that they could be forced to go underground and create another Rohingya Muslim situation in the region.

For the sake of security and peace in Malaysia and the region as a whole, we urge the Malaysian government to reconsider its ban on the followers of the Al-Arqam sect and to respect its beliefs. It's wiser to deal with an opponent, whether imaginary or real, in the open than in the dark.

Effect of Al-Arqam on Cooperation Discounted

BK0808100094 Bangkok MATICHON in Thai 8 Aug 94 p 12

[Text] Speaking to reporters during an interview on the decision made by Malaysia to outlaw the Al-Arqam religious movement, Prime Minister Chuan Likphai said he knew nothing much about this matter, adding that, according to a report from the National Intelligence Agency, the organization recently held a meeting in Chiang Mai Province and there was no evidence of their military training as reported by some news agencies.

Asked if the presence of the religious group here would have any effect on the economic triangle development scheme in the southern region, the prime minister said that the issue was Malaysia's internal affair and should have nothing to do with the economic cooperation project.

Cabinet Approves Intellectual Property Court

BK0608104294 Bangkok BANGKOK POST in English 6 Aug 94 p 6

[Text] The Cabinet has approved a bill for the setting up of the country's first intellectual property and international trade court, Justice Minister Sawai Phatthano said yesterday.

He said consultations were underway between the Justice, Commerce and Foreign Ministries to set up the court which would come under the direct jurisdiction of the Justice Ministry.

Criminal proceedings over piracy of intellectual property and civil suits seeking compensation for intellectual property right violations would be carried out in the court, said Mr Sawai, adding that the court would be obliged to protect individuals and companies holding those intellectual property rights.

To speed up cases, he said there would only be two stages of legal proceedings, the first court of instances and the supreme court.

An appeal against the verdict of the first court would have to be directly lodged with the supreme court, he added.

Regarding the traffic court, Mr Sawai said the Southern Bangkok District Court would be transformed into a full-fledged traffic court to try traffic violation cases.

Vietnam

Cambodian Government's Proposal Hailed

BK0608144994 Hanoi Voice of Vietnam in English 1000 GMT 4 Aug 94

[Station Commentary]

[Text] Cambodian media report that First Prime Minister Norodom Ranariddh has called on the Khmer Rouge to accept an unconditional cease-fire and cooperate for national reconciliation. Our radio editor comments.

The appeal made by the Cambodian leader again reveals the good will and policy of national reconciliation of the Cambodian Government. It aims at bringing about the lasting peace and stability for national construction. It does not only meet the aspirations of Cambodian people but also conforms to a global trend for peace, cooperation, and development.

As pointed by the foreign ministers at the recent forum on security held in Bangkok last month, Cambodia is one of the (?seats) of instability in Southeast Asia. The regional foreign ministers want to solve the Cambodian issue by peaceful means. Public opinion in Cambodian and the world affirms that the Khmer Rouge are the only faction sabotaging peace in Cambodia.

The Khmer Rouge killed millions of Cambodian people during their reign. It has conducted the bloodiest civil war again the Cambodian people and the Cambodian state, and refused to implement the international agreement on Cambodia. In recent days, they have launched many attacks against the Cambodian Royal Government, and conducted dozens of kidnaps and killings of Cambodian civilians, and Vietnamese and other foreign nationals living in Cambodia. For this reason, they are further isolated inside and outside the country. The Government of Cambodia, the United States, Britain, France, Australia, and Vietnam have expressed indignation and condemnation against the Khmer Rouge's crimes. The U.S. president has sent an envoy to set up a committee to investigate genocidal crime of the Khmer Rouge during their reign in Cambodia, and together with France, Australia, and many other countries are considering military aid to the Cambodian Royal Army to fight against the Khmer Rouge.

Meanwhile, the Cambodian Government and people are overcoming difficulties with international assistance and support to rehabilitate their war ravished economy. At the same time, the Cambodian Royal Government still leaves the door open to welcome the Khmer Rouge (?bandits) to return. More than ever before, they should accept the friendship and good will of the Cambodian nation to take the country into an era of peace, cooperation, and prosperous development.

Official Interviewed on Increased Japanese Aid

OW0508075894 Tokyo SANKEI SHIMBUN in Japanese 1 Aug 94 Evening Edition p 2

[Report on interview with Vo Hon Huk, vice chairman of the Vietnam State Planning Commission, by SANKEI SHIMBUN correspondent Tsubumasa Uchibata: place and date not given]

[Text] Hanoi, 31 Jul—In a recent interview with SANKEI SHIMBUN correspondent Tsubumasa Uchibata, Vo Hon Huk [name as published], vice chairman of the Vietnam State Planning Commission (SPC), expressed hopes that Japan will increase its 1994 aid to Vietnam by 15-20 percent from its 1993 aid of approximately 60 billion yen and stated that Vietnam will use the increased amount to upgrade Hanoi's sewage system.

The SPC estimates that Vietnam will need $48-50 billion to develop the economy, double the income of the Vietnamese, and upgrade the infrastructure over the next few years by the year 2000. The SPC expects other nations and international organizations to provide Vietnam with $10 billion in aid that will be used to upgrade the infrastructure.

For Vietnam, Japan is the biggest aid donor. In 1992, Japan provided Vietnam with 45.5 billion yen in loans and in 1993, it provided it with approximately 60 billion in loans, grants, and technology. Those yen-based loans were allotted to eight projects including electricity and transportation.

In the interview, Vice Chairman Vo spoke highly of Japan's aid to Vietnam and said Vietnam wants to use Japan's 1994 aid to continue those projects and start upgrading Hanoi's sewage system. He also added that the sewage system upgrade will become a 40-billion-yen project at the initial stage before sewage treatment facilities are built.

Hanoi and northern Vietnam lag behind southern Vietnam in upgrading the infrastructure. In the interview, the Vietnamese official said the SPC plans to give priority to upgrading the infrastructure in northern Vietnam for "Vietnam's balanced development."

He pointed out that Japanese enterprises lag behind Taiwan and Hong Kong enterprises in investing in Vietnam and urged Japanese enterprises to increase their investments in Vietnam. He also stressed that Vietnam will aggressively use domestic funds for investments. In the interview, Vo also said: "It has become a story of the past that the Vietnamese are reluctant to save money for fear of inflation." In the Vietnam that aims to move toward a market economy under Domuoi (reform), the SPC's major role is to decide on the allotment of aid provided by other nations and international organizations.

Friendly Relations With Japan Reviewed

BK0808132294 Hanoi Voice of Vietnam in English 1000 GMT 8 Aug 94

[Station commentary]

[Text] Japanese Prime Minister Murayama is to visit Vietnam soon. He will be accompanied by a delegation of senior officials from 10 ministries and economic sectors. Following is our radio comment on Vietnam-Japan relations.

Vietnam's foreign policy to befriend with all nations in the world, especially developing relations with countries in Asia and the Pacific have been warmly welcomed and supported worldwide. In the line of this policy, relations between Vietnam and Japan have developed positively particularly after the lifting of U.S. embargo on Vietnam.

Japan and Vietnam have exchanged visits of high-level delegations to strengthen mutual understanding and develop bilateral cooperation in many fields. In March 1993, Vietnamese Prime Minister Vo Van Kiet visited Japan and at the end of this month, the Japanese Prime Minister Mr. Murayama will visit Vietnam.

The coming official visit of the Japanese prime minister to Vietnam will mark a new step in the development of relations between the two countries. The Japanese Government has, many a times, voiced its support and assistance for Vietnam's policy of renovation. At the reception given to Vietnamese Deputy Foreign Minister Vu Khoan who visited Japan last June, Japanese Foreign Minister Kakizawa said: Japan's unswerving policy was to support Vietnam's development. Japan also backs Vietnam to join ASEAN and other organizations in Asia and the Pacific.

Economic and trade ties between the two countries have also developed. At present, Japan ranks third in the list of Vietnam's trade partners with the two-way trade turnover of about 1.3 billion U.S. dollar in 1993. In the area of investment, Japan now ranks fourth, but it is expected to become Vietnam's greatest foreign investor.

In August last year, eight Japanese commercial banks licensed by the Japanese Government to do business in Vietnam. These banks were from the large banking corporations in Japan including the (Coran), Bisubishi, Fuji, and (Sebimoto).

In the 1994 fiscal year, Japan provides 476 million U.S. dollars and other aids for cultural, educational, and agricultural development worth dozens of millions of dollars to Vietnam.

The Japanese TIMES newspaper published in the United States of America remarked that the coming official visit to Vietnam by the Japanese prime minister would show Japan's interest in developing relations with Vietnam.

Agreement With Laos on Transportation Noted

BK0608144294 Hanoi VNA in English 1352 GMT 6 Aug 94

[Text] Hanoi vna august 6. Provisions in the agreement on goods transport cooperation signed in late 1993 between Vietnam and Laos have been conducted with fine results.

So far this year, the two sides have repaired and upgraded Highway 8, 9 and 18B to create favourable conditions for the import and export of Lao goods through Vietnamese harbours.

Besides maintaining roads from the Vietnam-Laos border, the Vietnamese transport and communication branch has also invested more than VND 30 billion in dredging water-lines, repairing store houses and quays in some ports such as Cua Viet and Cua Lo to facilitate the entrance and exit of foreign ships to conduct trading activities with Laos.

In collaboration with Vietnamese establishments Laos has transported tens of thousands of cubic metres of logs to Vietnamese sea ports as required by Laos' foreign customers.

Cuban Communist Party Delegation Visits

BK0508145594 Hanoi VNA in English 1340 GMT 5 Aug 94

[Text] Hanoi VNA August 5—A delegation of the Communist Party of Cuba led by Raul Michel Vargas, member of the Central Committee and head of the Discipline Commission, visited Vietnam from July 30 to August 5, as guests of the Communist Party of Vietnam Central Committee (CPV CC).

During its stay in Vietnam, the delegation was cordially received on seperate occasions by Dao Duy Tung, Politburo member and secretary of the CPV CC, Do Quang Thang, Politburo member and secretary of the party CC and chairman of the Inspection Commission Pham The Duyet and Vo Tran Chi secretaries of the party committees of Hanoi and Ho Chi Minh City, respectively.

The delegation paid tribute to the late President Ho Chi Minh at his mausoleum, visited his office and residence, and had talks with a delegation of the Vietnamese party's Inspection Commission led by its standing Vice-Chairwoman Nguyen Thi Xuan My on respective party's experience and other issues of mutual concern.

The delegation also had working sessions with senior officials of the organization, culture and ideology and economics commissions and the ministry of labour, invalids and social affairs. The Cuba party officials visited a number of economic and cultural establishments in Hanoi and Ho Chi Minh City.

Import Tax Exemptions for Foreign Investors Amended

BK0508144494 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 5 Aug 94

[Text] The Customs General Department recently issued a note amending the preferential system for foreign investors in Vietnam.

According to this note, foreign investors in Vietnam will be entitled to favorable treatment in terms of the quota of goods imported as provided for in Decree 131 of the prime minister. They will, however, have to pay import tax and other fees, if any apply. They will also be subjected to the law on export-import taxes and other stipulations on fees. The customs sector will only give tax exemptions for certain kinds of goods if they are specified in investment licenses.

Regulations on Foreign Currency Management

BK0808060894 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Aug 94

[Text] In order to improve management of foreign currency use, Prime Minister Vo Van Kiet recently issued decision No. 396-TTG which stipulates several adjustments and changes in regulations on foreign currency management in the new situation. The decision takes effect from 1 October.

According to the decision, all incoming revenue in the form of foreign currency from export, services for foreigners, and of other domestic establishments should be deposited in accounts at banks which have permission to deal in foreign currency. Banks and financial companies which fulfill all requirements set up by State Bank; units of aviation, maritime, post and telegraph, and insurance sectors; enterprises with foreign investment; and enterprises which have the prime minister's permission to open offices overseas, are allowed to open overseas bank accounts in foreign currencies for production and business purposes.

According to the prime minister's decision, establishments are allowed to retain part of their foreign currency deposits in bank accounts to ensure smooth production and business operations. The portion of foreign currency which is not used in that quarter of the year must be sold to banks or financial companies which have permission to deal in foreign currency.

All trade and liquidation transactions among establishments must be made through banks or financial companies which have permission to deal in foreign currency. Remittances in foreign currencies among domestic establishments are allowed only in cases of:

—Payment between partners in export and import activities through foreign currency accounts;

—Payment for services rendered by representative offices and branches of foreign countries.

Domestic establishments and units operating shops or services which collect foreign currencies as licensed by the State Bank, now must change to collecting Vietnamese currency only. Tax-free shops and service providers to foreigners in airports, seaports, and so forth, with the approval of the prime minister, are allowed to continue collecting foreign currency from customers.

More Regulations Take Effect

BK0808150594 Hanoi VNA in English 1342 GMT 8 Aug 94

[Text] Hanoi VNA August 8—The prime minister has decided additional regulations to get further control of foreign currencies.

Under decision No.396/TTG which takes effect as from October 1, 1994, all proceeds in foreign currencies from export transactions and providing services to foreigners and other sources of income inside the country by organizations and units must be deposited in their accounts opened at banks licensed to trade in foreign currencies in vietnam. As for banks and financial companies having satisfied all provisions by the state banks, units belonging to aviation, maritime, posts and insurance services, foreign-invested enterprises and Vietnam's economic organizations allowed by the prime minister to set up offices abroad shall be permitted to open accounts in foreign countries in service of business.

Comments on National Defense Work

942E0073A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese May 94 pp 32-34

[Excerpt from a speech given by Engineer Pham Thanh Tam, specialist at the Department of Planning, Ministry of Heavy Industry, at the Conference on National Defense and Military Organizations of the Political System in the New Stage]

[Text] On 12 March 1994, the government promulgated Decree No 19/CP on national defense work at the ministries, equivalent-level agencies, and organizations subordinate to the government and localities. This is an important decree in the sphere of state management of national defense.

As for us, we are very enthusiastic about Decree 19, because this decree will contribute to solving the problems in this sphere in the Ministry of Heavy Industry.

We realize that our national defense is an all-people's national defense. Building and solidifying national defense is related to the practical interests and responsibilities of every element in the state apparatus. Solidifying national defense is not the separate responsibility of the armed forces in the military sector but the work of all the people, by the people, and for the people, with the people's armed forces serving as the activists.

The Ministry of Heavy Industry has large production sectors—machinery, metallurgy, chemicals, geology, and so on—and these sectors are closely related to national defense. For a long time now, industry has produced products that can be used to serve only the people's livelihood and products that can be used to serve either the people's livelihood or national defense. We think that the Ministry of Heavy Industry, like other ministries, has great potential that can be turned into national defense potential. This is manifested in the ranks of cadres and technical workers, in the production chain, and in the material and technical base. Our intellectuals, skilled workers, and high-level workers understand many modern technical processes and can be turned into large national defense industry forces and reserve forces. The existing system of material and technical bases, with the plants, enterprises, and units, has modern production equipment that is managed and utilized by the ministry. The question is how to transform the existing potential into national defense potential.

Actually, in past years, the Ministry of Heavy Industry established organizations to carry out national defense tasks in accord with Decree 198 and Decree 165/CP of the Council of Ministers. Later on, these organizations were disbanded because they could not perform the tasks. On the other hand, there was no organization to provide guidance and direction in carrying out these tasks. Decree 19/CP, which the government promulgated just recently, has provided us with a more complete and broader concept of national defense work. In recent years, the Ministry of Heavy Industry has reviewed what has happened during the past 10 years in mobilizing troops, mobilizing industry, organizing and controlling the reserve forces, and carrying on self-defense work and found that some have achieved concrete results. Many units such as plants subordinate to the chemicals, geology, power, and electronic sectors have vigorous self-defense movements. Some units have a good self-defense movements (tying production to maintaining production and safety and taking control in their locality). An example is Geology Union 3, which is located in Vinh Phu Province. For many consecutive years, it has received the emulation banner and a certificate of achievement from the Military Region 2 Command. Spreading propaganda and providing education about security and national defense have been carried on, but this has not been done regularly. We think that this is a very important and necessary task, because the Ministry of Heavy Industry has large ranks of intellectuals, skilled workers, and high-level workers. Carrying on national defense education activities will produce practical results in daily life, production, and work. This also means changing erroneous thoughts concerning national defense work—focusing attention solely on commercial production and economic work, giving little attention to maintaining production and opposing the "peaceful changes" of the enemy forces, and slighting national defense work and the task of defending the fatherland.

In order to implement the government's decree, organizationally, based on our experiences in organizing a military committee and then Department I, the Ministry of Heavy Industry should organize a "National Defense Activities Council" composed of a number of cadres who hold several posts concurrently.

The minister will serve as the president of this council, or the he may select a vice minister to serve as council president. The members of the council will include members of the party affairs committee, vice ministers, heads (and vice heads) of a number of departments such as the planning, cadre organization and training, finance and accounting, science and technology, and capital construction departments, and presidents of the sector trade unions. The council will appoint a standing member and have a number of part-time specialists. These people will handle everything during the periods between council meetings. Half or more of the time will be set aside for national defense work. When necessary, the national defense activities council can use all the existing forces. Once the urgent task is completed, only a small force will be needed to handle things, that is, the standing member and the specialists.

Thus, the council will have members with high standards, and it will have heavy responsibilities. It must maintain firm political and ideological viewpoints in order to guide the national defense work in every situation. One advantage of the fact that members will hold concurrent positions and spend most of their time on national defense work is that they will be prepared to replace each other when performing solitary and unexpected tasks. The members will all be sector heads and specialists in the production sectors of the ministry. They will possess information on national defense in relationship with other ministries and have the capability to contact the centers directly subordinate to the ministry. This will greatly facilitate implementing the national defense tasks. The problem is that they must regularly be given national defense training and provided with information concerning national defense work so that they can carry out the tasks assigned well. Only if they are provided with the necessary national defense knowledge will they be able to perform their staff role for the ministry concerning national defense work and continue to manage and control this work.

As for council activities, we feel that it should meet two to four times a year. Specifically, at the first meeting, they should discuss the annual work. This should be held after the ministry holds its meeting to discuss its work for the year. At the meetings, they should discuss and determine the important problems and resolve the difficulties with a spirit of brevity and clarity in order to provide guidance for carrying out the tasks immediately. At the end of the year, they should meet to review the work.

The relationship between the Ministry of National Defense and the other ministers, equivalent-level agencies, and organizations subordinate to the government with respect to national defense work has been stated in Article 11 of the decree. We think that there should be a national defense leadership and control mechanism within the national leadership and control body. As for control, naturally, the Ministry of National Defense is the managing organization that serves as the staff for the state and that formulates plans and regularly notifies the Ministry of Heavy Industry of the national defense situation and needs. Conversely, the Ministry of Heavy Industry must inform others of its capabilities and intentions in coordinating things between the tasks of the Ministry of Heavy Industry and the national defense tasks, particularly important economic and social plans that are related to national defense and security.

In recent years, a number of our ministry's plants have participated in production for national defense, achieved technical standards, and implemented the technical processes well in accord with the designs based on the requirements of the Ministry of National Defense. We suggest that every year, the Ministry of National Defense sign contracts and transfer production technology based on the contracts to produce national defense goods. This will have a practical effect in the close relationship between national defense and the economy and improve the national defense concepts of producers. The permanent and close relationship must be maintained, and guidance, information, training, and professional guidance relationships between the Ministry of National Defense and the Ministry of Heavy Industry must soon be established and solidified in order to implement the decrees promulgated by the state.

As for the contents of the national defense work mentioned in Article 3 of the decree, the ministries of national defense and heavy industry must work together to concretize these contents and turn them into work regulations and concrete contractual regulations.

The final decisive point is the budget problem. All plans require budget funds if they are to be implemented. Decree 19 clearly states the national defense funds that will be distributed to the ministries from the state budget. In what proportion will these funds be distributed, what will the structure be, and and what legal procedures will be used? These are questions that the two ministries must discuss. Above all, based on the national defense work that must be done during the year, qualitative and quantitative analyses must be made, plans must be formulated, and then, based on the plans, budgets must be made. It will be good if this can be done in 1994. If a plan for the entire year cannot be completed, a number of essential tasks must be attached to the budget supplement. All of the tasks planned for 1995 must be prepared immediately if Decree 19 is to be implemented.

Report Reviews Oil, Natural Gas Production

BK0608102294 Hanoi Voice of Vietnam in English 1000 GMT 4 Aug 94

[Text] So far this year, the Vietnam Petroleum Export and Import Company, or Petechim, has exported nearly 3.4 million tonnes of crude oil worth over $389 million. Since 1987 when Vietnam exported oil for the first time, 20 million tonnes of oil have been exported.

To improve business efficiency the company and the maritime branch set up an oil shipping fleet consisting of three ships with the total capacity of 450,000 tonnes. In 1994, the fleet has transported half a million tonnes of crude oil for export. Petechim also imports and consumes oil and gas products. It provides 20 percent of domestic consumption. The company has also broadened its export and import activities to obtaining equipment for electric power plants and gas tubes for the Bach Ho oil field in southern Vietnam. Petechim also imports equipment for the Vietnamese oil and gas exploration and exploitation company of VietSovPetro.

Currently Vietnam oil and gas sector [word indistinct] joint ventures with foreigners have reached production of 100,000 barrels a day. In 1993, 6.3 million tonnes of crude oil were extracted, and this year it is expected to reach seven million tonnes. A production chain for lubricants with a capacity of 50,000 tonnes a year is planned to start this year in a joint venture the British company BP. The Total company of France also plans to invest in building the first oil refinery in Vietnam with an initial investment of $1.2 billion. It is expected that the plant capacity will be 6.5 million tonnes per year.

The exploitation and prospection of oil and gas in Vietnam is now drawing the attention of many foreign companies. Twenty seven international contractors are now exploring in one region called Lot 41, a promising lot with high reserves. Vietnam recently held an international conference for Vietnam oil and gas industry seeking fresh foreign company investments. Vietnam plans that by the year 2000 it will extract 20 million tonnes of crude oil per year.

Tax Delinquencies Congest City Port Facilities

BK0608145194 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 Aug 94

[Text] According to the Ho Chi Minh City Customs Office, nearly 200 import-export units there have been prevented from declaring customs for their goods due to their failure to pay the taxes due. As a result, large quantities of cargo have piled up over the past few days, congesting the Saigon port and adversely affecting operations.

In order to resolve this situation, authorities such as the customs and tax offices must set tax payment schedules for these units so as to collect the taxes due, while helping these units clear their cargo promptly from the port.

'Constant Trade Growth Rate' Noted

BK0808093894 Hanoi VNA in English 0612 GMT 8 Aug 94

[All figures as received]

[Text] Hanoi VNA August 8—Agricultural and industrial production and trade activities in the first half of this year developed strongly, thus creating a constant trade growth rate.

In this period, domestic retail turnover was 36,673 million vnd [Vietnamese dong] (roughly usd [U.S. dollars] 3,663 million), or 51 per cent of the yearly plan. The state-run trade service grossed 21.6 per cent of the country's total trade turnover, an increase of nearly two per cent compared with the figure of the same period last year, with total retail sales of about 7,931 billion vnd (usd 793 million).

Prices in the first six months increased by 7 per cent with a 5.5 per cent in the first two months due to the rising price of food during the lunar new year festival. However the service price fell 1.1 per cent/month in comparison with 3.1 per cent in 1991, 3.8 per cent in 1992 and 1.6 per cent in 1993.

The gold price increased by 1.1 per cent/month on average, and the dollar price remained stable during the first six months.

The country's export earnings totalled usd 1.7 billion. The leading exports included crude oil, coffee and aquatic products. In addition, farm products were exported in large quantities such as peanuts (44,000 tonnes) rubber (40,800 tonnes), assorted tea (7,000 tonnes), processed meat (6,500 tonnes) and rice (850,000 tonnes). The textile and garment industry alone achieved an export value of usd 150 million.

In the first half imports of essential goods such as petroleum, fertilizer, steel, insecticide, raw materials and others achieved about 45 per cent of the yearly plan.

In the second half of this year, the state coordinates with branches and localities in implementing the export plan to reach usd 2,000 million in late 1994, and in ensuring essential goods for the people's daily life and materials for economic production aimed at keeping price increase below two digits.

Government Pursues Single-Digit Inflation Rate

BK0608150794 Hanoi Voice of Vietnam in English 1000 GMT 5 Aug 94

[Text] The government is attempting to prevent the price index from exceeding 0.5 percent for the remainder of the year with a view to achieving one-digit inflation. It said: keeping inflation below 10 percent was an important and pressing start. It requires effective measures to regulate distributions and try a balance between imports and exports, as well as between money and goods supply.

President Le Duc Anh Visits Long An Province

BK0508140294 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Aug 94

[Text] President Le Duc Anh paid a working visit to Long An province on 3 August.

The president held working sessions with leading comrades of the provincial party committee, people's council, and people's committee, and heard briefings on the local socioeconomic situation.

In July 1994, the socioeconomic situation was stable and showed some progress. Efforts to effect a change in the agricultural structure have initially attained some rather important results. The tendency to develop crop plants and animal species in line with the market economy has been given greater attention and has therefore helped considerably reduce the tendency to plant rice as a single crop. The program to do away with hunger and poverty and to build friendship houses are being stepped up by the province.

President Le Duc Anh cited the many efforts made and achievements scored by the party organization, the administration, and the people of Long An.

The president emphatically said: As the Long An people are endowed with a heroic tradition of unity and self-sufficiency as seen in various wars of resistance for national salvation, the provincial party organization and administration must further develop this fine tradition in national construction at present.

He went on: In economic construction, the province must pay attention to achieving diversified growth toward industrializing and modernizing agriculture, developing the agricultural, forestry, and the aquatic and marine products processing industries to create premises for the development of agriculture and other industries; and increasing efforts to bring scientific and technological advances to the infrastructure to apply in agricultural production.

Tien Giang Authorized To Set Up New District

BK0808045394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 Aug 94

[Text] The government recently issued decree No. 68-CP allowing Tien Giang Province to establish the new district of Tan Phuoc located on newly claimed land in the Plain of Reeds region. The new district of Tan Phuoc has an area of 33,000 hectares, a population of over 42,000, and 15 administration units including the main center of My Phuoc village.

The new district also has popular locations such as Ba Beo market, Nga Nam junction, Bac Dong, Nguyen Van Tiet canal, Nguyen Van Xay new road, and Tan Lap I and II state farms. With the busy production and business activities of the locals, the new district has great potential for economic development in the coming period.

New Survey Technique Used in Mapping Service

BK0808045794 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 Aug 94

[Text] Applying the GPS [expansion unknown] land survey technique, the Union of Geodesic and Mapping Services under the Land Survey General Department has completed the coordinates network for the Spratly Archipelago, connecting this network with those of other islands and the mainland, which could not be done previously with older techniques.

The GPS technique was also used in other land survey practices, especially to measure the sea bed, a pilot experiment which is being conducted along the 64 km coastline of Quang Ninh Province. The technique is being perfected by the Land Survey Technology Institute before it can be used in production.

Seafood Industry Continues Building Trade

BK0708092094 Hanoi VNA in English 0530 GMT 7 Aug 94

[Text] Hanoi VNA August 7—The country's seafood industry in the first six months of this year achieved a total export value of nearly USD 200 million. The earnings are set to trip last year's USD 368 million which itself was 32.7 times over the figure of 1980.

The aquatic export lines includes fresh dried, frozen and processed products, especially bloc shrimp (about 48,000 tonnes per year).

The aquatic processing industry has been developed systematically in the whole country, primarily in the coastal area. The southernmost province of Minh Hai has 17 establishments, Ho Chi Minh City has 32, the province of Ben Tre has 7, and other provinces have 2 or 3 each.

Most of the frozen product processing enterprises are set up based on borrowing capital from various resources including foreign partners' resources in order to soon produce, clear debts and collect profit.

A number of joint ventures with foreign partners have used foreign capital amd technology (mainly in the step of product processing) and consumed their products namely the Vietnam-Soviet sea products joint venture company (Seaprimfico) and the Seafacico Confederation, a joint venture between Vietnam and the Russian Federation.

At present, there are 120 key units and 42 trading companies. The Vietnam National Sea Product Import-Export Corporation, under the Ministry of Aquatic Product, is the biggest one. Annually it has recorded a total output of USD from 90-100 million. The corporation has expanded its markets to 23 countries in the Asia-Pacific region and several European and Northern American countries.

According to economic experts, Vietnam can increase exports of aquatic products by 20 per cent compared with the present figure.

Australia

Minister Calls U.S. Ruling Trade Barrier

BK0808073394 Melbourne Radio Australia in English 0500 GMT 8 Aug 94

[Text] The South Australian Government says the American Agricultural Marketing Service has reinstated an import standard which will require most of the oranges on four ships on their way to the United States to be repacked. The South Australian primary industries minister, Dale Baker, says the move is clearly a trade barrier specifically aimed at Australian oranges. Mr. Baker says he's asked the Australian Government to help local growers. He expects it will take the American authorities several days to respond to the representations already made.

Medical, Engineering Troops Leave for Rwanda

BK0608122894 Melbourne Radio Australia in English 1100 GMT 6 Aug 94

[Text] There has been a farewell at Townsville in Queensland for more than 70 Australian troops who are joining the United Nations effort in Rwanda. The advance contingent of troops are mainly medical and engineering personnel. Robert (Dork) reports they were farewelled at the Garbutt Air Base by the defense minister, Robert Ray, and opposition defense spokesman Peter Reith.

[Begin (Dork) recording] For most of the advance party, it's their first operational appointment. Their enthusiasm to test out what is in many cases years of training is tempered by the family and friends they're leaving behind. Officer in charge of the deployment logistic support company, Major (Sam Fow), says it will be the greatest challenge he's yet faced in his career. [end recording]

More Australian troops are to leave for Rwanda next week.

Minister Discusses Future Space Programs

BK0808122094 Sydney THE AUSTRALIAN in English 20 Jul 94 p 6

[Article by Senator Chris Schacht, minister responsible for the Australian space program: "Australia's Plan To Cash In On The Race" from the "Space—The Next 25 Years" section]

[Text] Twenty-five years ago the world watched as humans first set foot on the Moon, and marvelled at the achievement.

Today with the ever-increasing pace of change in technology it is easy to take that achievement for granted and to underestimate the impact that the space program has had on our everyday lives. We are now accustomed to satellite television coverage of world events, international telephone communications and the ubiquitous weather report.

As Minister responsible for space activities, I know many Australians are unaware of the benefits of exploration mapping and observation applications through satellite remote sensing and the advantages this offers for our mineral, agricultural and ocean resources.

In the past 25 years a plethora of space-derived technology has enriched our lives which we take as commonplace, often unaware of its origins. These range from mundane examples like velcro, teflon and high-strength fabrics like Gortex and Kevlar, superglue and cordless power tools to pacemakers and magnetic resonance imagers which are revolutionising medicine.

It is important that we recognise these benefits. Even more important is that we seize opportunities arising from the commercial exploitation of space technologies.

Failing this, we will become increasingly dependent on other countries to supply space services and hardware—and will face escalating costs to procure information vital to the competitiveness of our industries.

Twenty-five years ago Australia was a significant international player in space, with big contributions to the United States and UK programs at Woomera.

We were also foundation investors in INMARSAT and INTELSAT, which continue to provide us with land mobile, maritime and aeronautical and fixed satellite services. Today several emerging trends offer us a chance to capitalise on our strength and reclaim a more significant place in the global space industry.

Twenty-five years ago space was largely the preserve of governments. Today while governments are still involved, private enterprises play a greater role. The end of the Cold War has meant a windback of military programs—and increased emphasis on commercial applications.

This has led to rising demand to develop a commercial launch site—for which Australia has geopolitical advantages. Large growth is expected in satellite communications services, particularly in countries where terrestrial alternatives are insufficiently developed, inappropriate or too costly.

This is particularly true in much of Asia, where there is rapid growth and where many nations are realising the importance of remote sensing to national development.

The emergence of low-Earth orbit (LEO) satellite technology creates an opportunity for Australia. Able to provide ubiquitous mobile voice and data services at relatively low cost, LEOs offer a chance for new participants and could catalyse a range of new support businesses.

We have modest but significant capabilities. We provide extensive ground support for the NASA planetary exploration and shuttle missions, as well as for French, European and Japanese satellites. We have several of our own satellites for domestic and international communications as well as broadcasting.

We have companies providing Earth observation services for mining, forestry and agriculture and for meteorology, environmental and resource management and mapping. Australia also has a fast- growing satellite communications industry, radio and TV broadcasters and suppliers of value-added communications and remote sensing gear.

Our science and engineering base is a real strength. The University of Queensland is a world leader in hypersonics technology, which will be critical to the development of aerospace transport systems in the next century.

Their scramjet is an air-breathing engine that extracts its oxygen from the atmosphere, eliminating the need to carry liquid oxygen fuel, offering significant payload and cost benefits over conventional launch vehicles.

Australian manufacturers have built on our technological and design capability to supply components for overseas and domestic satellite systems. We also have a well-earned international reputation for the quality of our earth-observation technology. These strengths provide a sound basis on which to build.

Proposals for international collaboration include the establishment of a commercial satellite launch service from Australia, the use of our hypersonic technology in a joint venture with Japan and the provision of an Australian-based recovery program for the German EXPRESS re-entry vehicle.

We could be involved in the design and construction of various satellites and their network facilities, and could own and operate national or regional gateway Earth stations providing access to public or private telecommunications networks.

If Australia is to secure a strategic position in the provision of goods and services to the region, timing is crucial. Investment and technical design decisions are now being made.

Alliances could also be formed to provide launch services. The new generation of satellites require light launchers and these provide opportunities for Australia at sites in Darwin and Woomera.

One proposal, by Kennett International Technology is for a launch facility in Darwin to deploy a LEO satellite constellation to provide remote data collection throughout the Asia-Pacific region. The plan may also involve manufacture of light satellites in Australia, and be part of an international joint venture.

Another possibility is to reactivate the Woomera Rocket Range through an agreement with the German Government to permit landing of their EXPRESS vehicle.

The aim of this project, involving the space agencies of Germany, Japan and Australia, is to recover from orbit an experimental payload to be launched from southern Japan in mid-September.

After five or six orbits the spacecraft will re-enter the atmosphere and be tracked to a soft landing in a "footprint" in the Woomera Prohibited Area. If all goes well, this mission could be the forerunner of many future collaborative uses of the Woomera site, including the launch of overseas and Australian scientific, meteorological and communications payloads.

Satellite design offers Australia another rich opportunity, based on the trend to lighter satellites. While we have well-developed capabilities in this area, a national effort, perhaps with international collaboration, is required.

The development of niche markets in remote sensing is another area where we have real strengths. The global trend towards using technology to help solve environmental problems, for example, offers significant scope.

Last year the Federal Government introduced legislation to formally establish the Australian Space Council [ASP]. It was set up to oversee the dispersed space industry and to develop policy and operational initiatives for Government which will increase net benefits to Australia, particularly in the growth of industrial technology capability.

As part of its charter the ASC is required to develop rolling five-year plans for the space sector. The council has consulted widely and submitted its first plans for my approval.

While primarily a program for expenditure of the ASC's resources and policy advice, I also hope it will become a focus for government and industry activity that builds on our past achievements.

The plan addresses many of the issues raised here, and I appreciate the effort that has clearly gone into its development and heartened by the promise it holds for the future.

It is a future in which I envisage Australia playing an important role through commercial space activities.

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